TOREX GOLD RESOURCES INC.

EL LIMÓN GUAJES MINING COMPLEX

SUMMARY AUDIT REPORT

FOR THE INTERNATIONAL CYANIDE MANAGEMENT CODE

SEPTEMBER 2024

Cyanide Auditors

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Contenido

Operation General Information

Name of Mine:	El Limón Guajes Mining Complex
Name of Mine Owner:	Torex Gold Resources Inc.
Name of Mine Operator:	Minera Media Luna, S.A. de C.V.
Name of Responsible Manager:	Rafael Curra – Gerente Medio Ambiente y Energía
Address:	Ejército Nacional 404, Despacho 804 Col. Polanco, Delegación Miguel Hidalgo, Ciudad de Mexico C.P. 11570
Mine site location:	Entre municipios de Cocula y Eduardo Neri, Guerrero, México. Entre paralelos 17° 56´y 18° 01´ de Latitud Norte y 99° 38´y 99° 46´ de Longitud Oeste
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Operation Location Detail and Description

The Morelos Project is located approximately 200 kilometers south-west of Mexico City in the state of Guerrero, Mexico. The nearest large town is Iguala, located about 65 kilometers from the mine site. The closest village, Nuevo Balsas, is a small agriculturally based community. Nuevo Balsas is accessed through the I-95 federal highway from the city of Iguala towards the port of Acapulco, 50 km away there is the intersection by a dirt road that leads to the main access to the mining complex with a distance of 75 km.

The site can be characterized by moderately steep terrain with the Rio Balsas as the primary geographical feature. The climate is generally sub-tropical with heavy rainfall during the summer rainy season but dry for the balance of the year. Vegetation is lush during the rainy season but dries off rapidly after the rainy season.

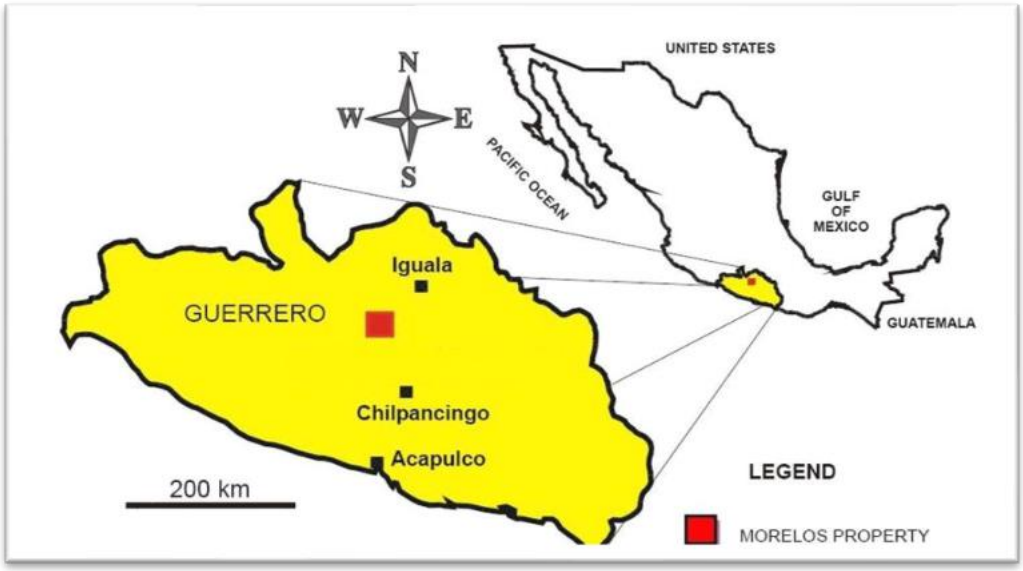


Figure 1: Project Location Media Luna, (M3 Engineering & Technology, 2022).

The Morelos project called El Limón Guajes (ELG) Mining Complex is operated by Minera Media Luna S.A. de C.V. (Minera Media Luna or MML) which is sectioned by the Balsas River to the north into the area known as Limón-Guajes and to the south by the area called Media Luna.

The ELG Mining Complex is composed of the open pits: El Limón, Guajes and El Limón Sur, the Underground Mine: El Limón Guajes (including the areas called Sub-Sill, Sub-Sill Extension and El Limón Profundo), a Processing Plant and other related infrastructure. The processing capacity of the installed plant is 13,000 tons per day (tpd) with gold recoveries of 87%.

Following the release of a feasibility study in October 2012, construction on ELG started in October 2013, with commercial production declared in April 2016. The project ore processing facility (mill) includes crushing, grinding, agitated leaching, carbon adsorption Carbon in Column (CIC) and Carbon in Pulp CIP), carbon desorption (stripping), carbon regeneration, electrowinning, refining, tailings detoxification, tailings thickening and filtering, and filtered tailings disposal.

Most ore is sourced from the El Limón open pit with a smaller portion from El Limón Sur open pit. Ore is crushed and then transported to the processing plant using an innovative conveyor system. Ore from the mining operations is then treated in the centralized processing plant, which utilizes carbon-in-pulp milling technology with an associated cyanide leach to produce gold doré.

Minera Media Luna (MML) purchases solid sodium cyanide briquettes transported by truck to the mine site both in isocontainers with 18,500 kg of cyanide and in 1,100 kg wooden boxes Intermediate Bulk Containers within 40 foot sea containers from Lázaro Cárdenas Port in Michoacán, México. Cyanide from isocontainers is unloaded in the sparge area upon arrival to the mine site, no isocontainer with cyanide or empty is stored at the site. Intermediate Bulk Containers (IBC) with cyanide are stored at the mine´s cyanide warehouse and transferred to the box cyanide solution preparation area according to the needs of the plant.

The process plant is located near the Guajes open pits at approximate elevation of 700 meters. The process plant treats approximately 13,000 tpd (tons per day) of ore, of which a majority of ore processed is from the open pits. The haul roads from the Guajes pits to the process plant are fairly short (less than 2 km) but the haul road from the El Limon pit is over 5 km, with an 8% downward slope utilized by loaded trucks. Concerns for safety and costs for the El Limon downhill haul have resulted in the selection of RopeCon® conveyor haulage over truck haulage.

A SART plant (sulfidization, acidification, recycling, and thickening) was commissioned in 2018 to remove soluble copper from the leach circuit.

Figure Source: Torex 2022. Photograph looks northwest

Process Description

The following bullets summarize the process operations used to extract gold and silver from the ELG Mine Complex ore.

- Size reduction of the ore by a gyratory crusher, wet semi-autogenous grinding mill (SAG), and ball milling to liberate gold and silver minerals. A “pebble” crusher is operated in this circuit to deal with reject pebbles from the SAG mill.
- Thickening of ground slurry to recycle cyanide-containing water to the grinding circuit.

- Cyanide leaching of the slurry in agitated leach tanks.
- Adsorption of precious metals onto activated carbon (Carbon in Pulp – CIP).
- Removal of the loaded carbon from the CIP circuit and further treatment by acid washing, stripping with hot caustic-cyanide solution, and thermal reactivation of stripped carbon.
- Recovery of precious metal by electrowinning.
- Mixing electro-won sludge with fluxes and smelting the mixture to produce a gold-silver doré bar which is the final product of the ore processing facility.
- Thickening of CIP tailings to recycle water to the process.
- Recovery of free cyanide from copper cyanide complexes by treating the cyanide recovery thickener overflow stream in the SART plant.
- Generation of a copper precipitate from a portion of the cyanide recovery thickener overflow using the SART process.
- Detoxification of residual cyanide in the tails stream using the SO2/Air process.
- Filtering of detoxified tailings to recover water for recycling back to the process.
- Disposal of the Filtered Tailings Storage Facility (FTSF).
- Storage, preparation, and distribution of reagents used in the process. Reagents that require storage and distribution include pebble lime, hydrated lime, sodium cyanide, caustic soda, sodium hydrosulphide, sulfuric acid, copper sulphate, ammonium metabisulphite (MT2000), hydrochloric acid, flocculant and antiscalant.

The operation recycles water from the CIP tailings to the process. The operation uses this recycled water in the milling circuit; the operation does not add cyanide during the mineral grinding process. Cyanide is added in the leaching tanks. Weak Acid Dissociable (WAD) cyanide concentrations in the milling circuit is greater than 0.5 mg/l. The operation takes the milling facilities into account as a cyanide installation and has developed and implemented written management and operating plans and procedures, routine inspection and maintenance programs, has placed cyanide warning signage, emergency shower/eyewash stations, proper fire extinguishers, and adequate secondary containment.

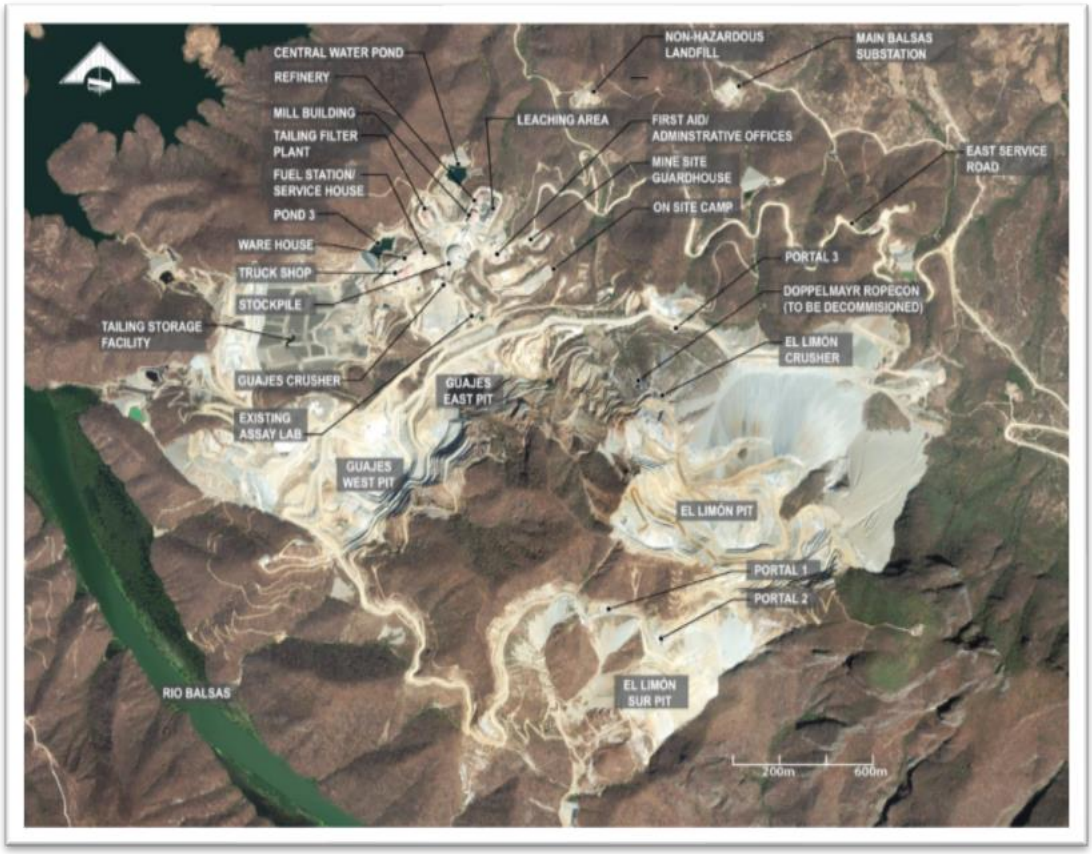
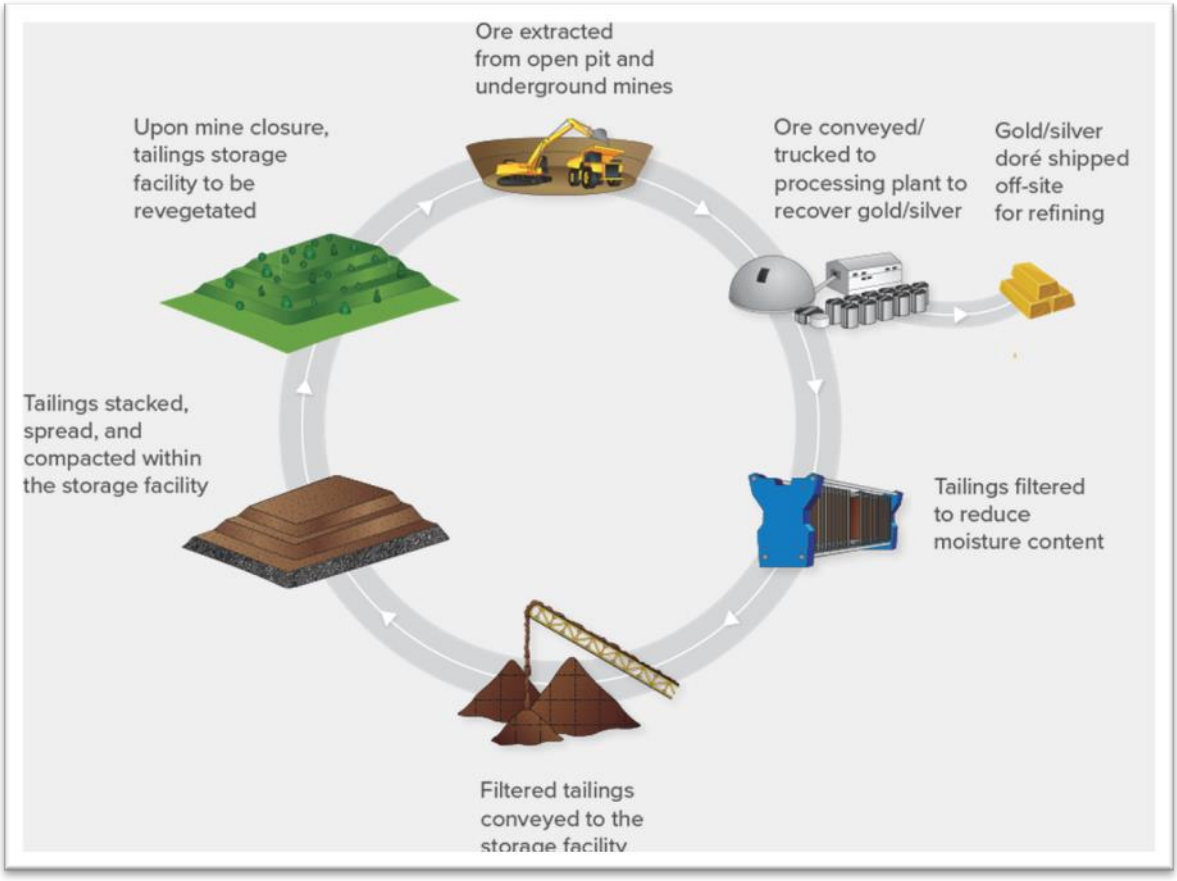


Figure 37: Existing facilities at ELG as of December 2021. (M3 Engineering & Technology, 2022).

Tails Management Facilities

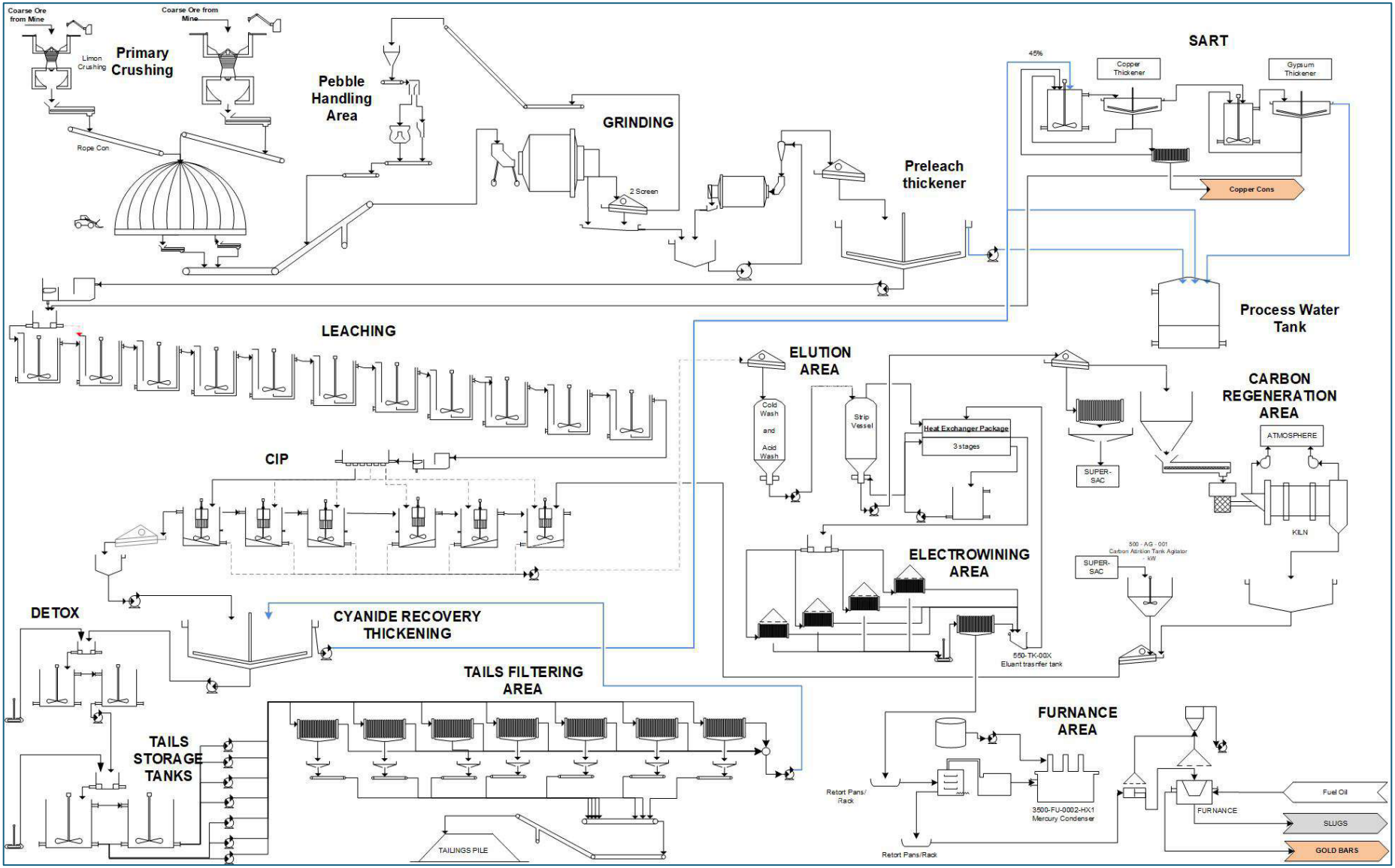
Currently, the tailings are filtered, placed and compacted in the FTSF which is located southwest of the process plant and northwest of the Guajes open pit. To date, over 24 Mt of tailings have been placed in the FTSF. Tailings will continue to be deposited in the FTSF through 2024 until the MML operations commence and the Guajes TSF is permitted.

The FTSF reduces the amount of water within the tailings, the operation filters the tailings in a process which reduces the moisture content to approximately 17%. The remaining water is collected and sent back to the processing facilities for re-use. This conserves water, eliminates the need for tailing embankments and essentially eliminates the risk of dam failure. Tailings are conveyed and stacked within the storage facility.



Filtered tailings storage facility (FTSF) flow diagram

The overall process flow diagram of the current ELG Process Plant is presented in the following figure.



Overall process flow diagram of the current ELG Process Plant

Auditor's Finding

This operation is

- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

with the International Cyanide Management Code

Compliance Statement

This operation is in Full Compliance with the requirements of the International Cyanide Management Code.

Auditor Information

Audit Company:	Cyanide Auditors S.A.
Lead Auditor and Technical Auditor:	Bruno Pizzorni bpizzorni@cyanideauditor.com
Audit dates at the mine site:	April 29 to May 3, 2024

Sign: 

Auditor Attestation

I attest that I meet the criteria for knowledge, experience and conflict of interest for a Cyanide Code Certification Audit Lead Auditor, as established by the International Cyanide Management Institute and that all members of the audit team meet the applicable criteria established by the International Cyanide Management Institute for Code Auditors.

I attest that this Summary Audit Report accurately describes the findings of the certification audit. I further attest that the certification audit was conducted in a professional manner in accordance with the International Cyanide Management Code Mining Operations Verification Protocol and using standard and accepted practices for health, safety and environmental audits.

PRINCIPLES AND STANDARDS OF PRACTICE

Principle 1 | PRODUCTION AND PURCHASE

Encourage responsible cyanide manufacturing by purchasing from manufacturers that operate in a safe and environmentally protective manner.

Standard of Practice 1.1

Purchase cyanide from certified manufacturers employing appropriate practices and procedures to limit exposure of their workforce to cyanide, and to prevent releases of cyanide to the environment.

The operation is

- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 1.1

Minera Media Luna (MML) has a current agreement with Covoro Mining Solutions Mexicana (Covoro), a Draslovka Mining Solutions (Draslovka) company, to purchase solid sodium cyanide briquettes in isocontainers with 18,500 kg. of cyanide. Draslovka Menphis plant, identified as the US Production and Packaging Operations (Draslovka US Plant), is an ICMI certified cyanide producer last certified with the Code in 24-May-23 (LINK).

MML has also an agreement with Orion Productos Industriales S.A. de C.V (Orion) to purchase solid sodium cyanide briquettes from ICMI certificated cyanide producers: Guangan Chengxin Chemical Co., Ltd (Guangan Chengxin), Inner Mongolia Chengxin Yongan Chemical Co., Ltd., and Hebei Chengxin Co., Ltd. In occasion of the audit, MML was being supplied by Guangan Chengxin´s cyanide in 1,110 kg wooden box Intermediate Bulk Containers (IBC). Guangan Chengxin is an ICMI certified cyanide producer, last certified with the Cyanide Code in 21-Nov-22 (LINK).

In occasion of the site visit, the auditor had the opportunity to see a cyanide sparge operation with a Draslovka isotainer, also inspected the cyanide warehouse, confirming the stock of Guangan Chengxin cyanide in IBCs boxes. The auditor reviewed examples of recent purchase orders to Covoro and to Orion, transmittal letters, commercial invoices, packing lists, bill of ladings, certificates of origin, certificates of quality and safety data sheet (SDS) finding this Protocol Question in compliance, confirming that the cyanide purchased by the mine is manufactured at facilities certified as being in compliance with the Code.

Principle 2 | TRANSPORTATION

Protect communities and the environment during cyanide transport.

Standard of Practice 2.1

Establish clear lines of responsibility for safety, security, release prevention, training and emergency response in written agreements with producers, distributors and transporters.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 2.1

MML maintains records of the chain of custody documents from the cyanide producers, the maritime transporters and land transporters that handle the cyanide brought to its site, all identifying the parties in the supply chains. The auditor reviewed the bills of lading documentation covering the recertification audit, finding them in conformance.

Covoro supplies sodium cyanide to MML by mean of the Draslovka Mexican Supply Chain, last ICMI certified in 18-Feb-22 (LINK). From Draslovka production plant at Memphis, Tennessee, United States, cyanide is transported in bulk via rail hopper cars and in Ecopaks via truck/trailer and rail box cars to the San Luis Potosi Bulk Transloading Facility, from where cyanide is sent in isotanks to the mine site with Transportes Especializados (Segutal).

Rail products enter Mexico via Nuevo Laredo. Railroad (KCSM) serves the Bulk Transloading San Luis Potosi facility starting in Laredo. Draslovka determined through due diligence evaluations of the rail carrier that its management of environmental, health, safety and security aligns with Code requirements. Box cars transport packaged product and hopper cars transport bulk product to San Luis Potosi. Warehousing and transloading operations at this location is described in the separate Bulk Transloading Facility Production Recertification Audit Report (LINK), last ICMI certified in 10-Nov-21.

Orion procures solid sodium cyanide briquettes from Hebei Chengxin, Inner Mongolia Chengxin Yongan Chemical, and from Guang' an Chengxin Chemical. The cyanide being transported by Hebei Chengxin Transport Global Ocean Supply Chain, last ICMI certified in 30-Oct-23 (LINK) is produced in the three Chengxin cyanide manufacturing facilities. The ocean carriers used by Hebei for transport to Orion are included in the scope of the Hebei Ocean Supply Chain certification.

Orion is an ICMI certified distributor and transporter in Mexico, last certified in 15-Nov-21 (LINK). Orion uses its own trucks and drivers to transport the cyanide to its storage facility located in Tizayuca, Hidalgo State, México. Distribution from the storage facility to gold mines is also done using Orion trucks and drivers.

Orion maintains a Cyanide Code certified supply chain that includes receipt and storage of cyanide at the Port of Lázaro Cárdenas in the Mexican state of Michoacán, on the Pacific Coast of Mexico.

During the audit, it was verified through the ICMI´s website, that all cyanide transporters involved in Covoro /Draslovka , Hebei Chengxin and Orion cyanide supply chains were currently Code certified companies, which identified transporters were individually certified in compliance under the Code or included in the corresponding certified supply chain.

Chain of custody records were reviewed identifying each transporter and supply chain component that participate in transporting cyanide at any point on the route from the producer to the operation. The chain of custody records were compared with the listing of certified cyanide transporters on the Cyanide Code website confirming that the cyanide was transported by certified transporters.

Principle 3 | HANDLING AND STORAGE

Protect workers and the environment during cyanide handling and storage.

Standard of Practice 3.1

Design and construct unloading, storage and mixing facilities consistent with sound, accepted engineering practices, quality control/quality assurance procedures, spill prevention and spill containment measures.

The operation is

✓ in full compliance with

☐ in substantial compliance with Standard of Practice 3.1

☐ not in compliance with

Orion external contractor is in charge of transporting se containers with cyanide boxes in IBC, it storage and managing the cyanide warehouse in the mine site and preparing the cyanide solution in the process plant. Cyanide in isotanks sparge process is managed directly between Draslovka´s truck operator and the mine personnel.

All facilities for unloading, storing and mixing cyanide at MML have been designed and constructed in accordance with accepted engineering practices. The Cyanide Preparation Area in Isotainers - Area 800 is designed to operate through a sparge dissolving process. The other area is designed to process for Intermediate Bulk Containers (IBC), Cyanide Preparation Area in Boxes – Area 800, by mean a hoist and two hoppers - 800-HP-040 and 800-HP-050 to prepare the cyanide solutions. All unloading, mixing and storage facilities for reagent cyanide have been professionally designed and constructed.

The auditor reviewed with the Coordinator of Process Improvement, Operational Systems and Document Control, these facilities construction Quality Assurance and Quality Control (QA/QC) records, finding them complete, including design specifications, as-built drawings stamped by

certified professional engineers and quality dossiers. The operation took the necessary and appropriate measures in designing and constructing these facilities.

The IBC cyanide warehouse, in absence of QA/Qc records, was inspected by a certified architectural professional, who issued a report certifying that the warehouse meets the necessary requirements for the use it is being given and that it is compliant in terms of structural strength, and impermeability of floors and ceilings.

Both areas for cyanide solution preparation, isotainers and IBC boxes and the storage facility, are located within the process plant area, away from people and surfacewaters. These areas are away from places where people meet, as offices, dining room or bathrooms. The plant is about 5 km away from the nearest community and about 1.5 kilometers from the Balsas River, minimizing in this way the potential for releases to surface water and human exposure.

There is no discharge of process water to any of the water management ditches or ponds. The runoff from plant site will drain to Pond 3 or the Central Water Pond (CWP). The CWP is located immediately west of the plant site and will collect drainage from watershed areas.

Liquid cyanide from the sparge process is unloaded on a concrete surface to minimize seepage to the subsurface during the cyanide solution preparation. The isotainer is parked over a concreted slab adequately graded and waterproofed, while transferring liquid cyanide to the operation. This concrete slab is impermeable and structurally adequate to withstand the load. Any spill that may occur, particularly when hose connections are made or broken, would be contained and drained to the mixing and storage facility secondary containment and then pumped back into the system.

To prevent overfilling of the cyanide mixing and distribution tanks, the operation installed ultra-sonic level sensors. For both cyanide solution preparation systems, sparge and IBCs boxes, the mixing and distribution tanks are fitted with ultra-sonic level indicators and alarms. These level indicators are tied into local electronic displays and can also be viewed by the control room operators on the control room system. The tank level indicators for the sparge system is interlocked and will shutoff area pumps to prevent the tanks from overfilling.

Standard Operational Procedures (SOPs) for these areas require the operators to check the tanks level before the operation commences. The SOPS require that two operators attend all times during cyanide solution preparation to ensure proper protocols are followed and any spillage or upset conditions are immediately and safely reported and managed.

The sensors connected to plant control room system trigger the Hi-level alarm at 92% (High level alarm is turned on) and the Hi-Hi level alarm at 95% for the cyanide mixing and distribution tanks. The auditor reviewed in the screens of the Process Plant control room, how the operator monitors the level controls and that these were functioning on these tanks, and also the control panel in the sparge discharge area.

These systems are tested biweekly and maintained on a routine basis. The auditor reviewed the level sensors maintenance records from SAP (Systemanalyse Programmentwicklung) software platform carried out quarterly in the last year for the following tanks:

- A800-TK-011 – Distribution of Sodium Cyanide Tank and A800-TK-010 - Mixing Sodium Cyanide Tank for the sparge system; and
- 800-TK050 and 800-TK-040 tanks for cyanide preparation system in boxes.

The auditor also reviewed the SOP Calibration and Configuration Procedure of Level Sensors TXG-MML-ELG dated from April 2024 that applies to all technical and instrumentalist personnel who perform the calibration, and reviewed records of biweekly inspections (testing) TXG-MML-ELG-PB-800-RI-001 and TXG-MML-ELG-PB-800-RT-002 carried out by plant personnel to the preparation areas for cyanide solution in boxes and isocontainers respectively, where they check among others, for any spills from the tanks.

Process tanks, including mixing and storage tanks, are built over reinforced concrete foundations, which prevents any seepage from the tank bottoms from entering the ground. Cyanide mixing and storage tanks are located inside concrete secondary containments systems. The operation performs routine testing and maintenance of the tank level instrumentation and alarm systems to ensure that they are functioning properly. The auditors observed that all of these concrete foundations and containment systems were in good condition.

Both cyanide mixing areas have secondary containment systems for cyanide storage and mixing tanks as they are located within concrete pads surrounded by curbs and walls, providing competent barriers to leakage. The concrete floors are sloped to drain to concrete trench drains, where any spills or rainwater will be pumped back to the process.

The secondary containment concrete slabs and walls are covered with epoxy painting, material that improve impermeability to the containment system. Sealing material has been used for joints and small cracks on the concrete slabs. The secondary containment systems are inspected weekly as part of the inspection route program. The auditor observed that the concrete containment systems were in good condition.

At MML solid sodium cyanide is stored considering the following measures:

a) Cyanide is stored in a roofed enclosed building to prevent contact with water and above a concrete pad to minimize the potential for contact with rainwater. No water systems are present in cyanide storage areas. A safety shower and low-pressure eye wash station is located outside in the front crossing the access to the cyanide warehouse.
The cyanide enclosed storage is ventilated in the event of hydrogen cyanide (HCN) gas generation for any reason. There is forced ventilation with an air extractor in the warehouse, in addition to passive ventilation through opposite openings aligned with the warehouse entrance door that in turn coincide with the wind predominant direction, allowing adequate ventilation.
For overall security purposes, both solid and liquid reagent-strength cyanide are stored in an enclosed area to prevent access by unauthorized personnel. The cyanide warehouse is in locked area, inside within a sheltered area of mine operations monitored 24/7 by security forces; the reagent areas with high strength cyanide solution is located within the boundary of the process plant which is fenced and access is controlled. Valves related to storage of liquid cyanide are locked. Signs prohibiting unauthorized entry are posted.

b) MML does not store any other chemicals, explosives, food, animal feed or tobacco products in the cyanide storage warehouse other than cyanide. No smoking, drinking or eating is allowed within the cyanide storage areas. The auditor observed that there were no other materials stored in the cyanide warehouse other than response supplies. By visual inspection, the auditor confirmed that the system would prevent mixing of other reagents in the event of spills

Standard of Practice 3.2

Operate unloading, storage and mixing facilities using inspections, preventive maintenance and contingency plans to prevent or contain releases and control and respond to worker exposures.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 3.2

MML has developed and implemented the SOP TXG-MML-ELG-PB-800-PO-001 Preparation of 25% Cyanide from Boxes and the SOP TXG-MML-ELG-PB-800-PO-002 Isotainer Discharge Procedure describing the safe instruction to prepare cyanide solutions from IBCs and from isotainers, respectively. The area for preparing cyanide solutions from boxes is under the operational control of the cyanide supplier Orion, including operation and monitoring of tank levels as well as inspections of these facilities and systems. Procedures area in place and implemented to:

a) To prevent empty cyanide containers from being used MML destroys the wooden boxes used to carry solid cyanide in IBC, as described in the SOP Preparation of 25% Cyanide from Boxes. Section 7 of the procedure stablishes that after the operation, boxes must be disassembled and decontaminated with a solution of sodium hypochlorite at 5% then the wood is taken to the dry tailing's facility where is being chipped and disposed inside the facility and covered with tailings. The auditor considers this as an exemplar best practice for final adequate disposal of these residues.
b) As for the plastic bags, once the bag is empty, the procedure requires three washes of 10 seconds each with intervals of 30 seconds so that the water drains using the faucet behind the hopper once it has been verified that the super bag is completely washed. With the help of the crane, they take the empty super bag to the hazardous waste box. In accordance with the procedure, they separate two cyanide wooden boxes to deposit the generalized waste generated in the preparation, to place the super bags, the polyethylene bags, the disposable personal protective equipment (PPE) and contaminated waste from the preparation in the two boxes intended for this purpose. Once this task has been completed and when required due to the availability of spaces, notice is given to the supplier so that they have a truck to remove all these waste from the area as soon as possible, moving them to the designated landfill suitable for hazardous materials, receiving in exchange a certificate of adequate final disposal.
c) As mentioned above, wood from the cyanide IBCs boxes is being chipped and disposed inside the dry tailing's facility at the mine site, which is a cyanide facility, previous decontamination with sodium hypochlorite to 5%.

d) Regarding the cleaning of the isotainer, the respective SOP establishes that before disconnecting the hoses of the sparge process, a double rinse must be done inside the unit. Once this process is finished, the valves and lids of the container are closed and the operator inspect the isotainer and washes the surface of the vehicle if necessary, finishing with this the cleaning process and proceeding to lock the valves of the dissolution system. Once the isotainers are rinsed and after ensuring there is no sodium cyanide residues from outside of the sodium cyanide containers and securely closed, the empty isotainers are returned.

The following measures have been taken at MML, in order to prevent exposures and releases during cyanide unloading and mixing activities:

a) Procedures for mixing cyanide in boxes and for the sparge operation with isotainers, have stablished as safety measures to avoid spills and exposures in the work area, that the required PPE must be carried out, such as full facetime masks, rubber gloves, rubber boots, helmet; that the area must be kept clean and orderly, to ensure that there are no unauthorized personnel in the area, and that before starting the preparation must have completed the pre-task inspection route which includes ensuring all the hoses and valves are in good conditions and adequately positioned.

   These SOPs outline the requirements for inspection, observation and mixing of cyanide. The procedures include instructions for the prefill cyanide mixing tanks with reclaim water and caustic solution prior to add/delivery and sparging of dry sodium cyanide from boxes or isotainers; as well as instructions for inspection and operation of critical valves, hoses and couplings related to the addition of caustic soda, raw water, connection with the mixing and storage tanks, and operation of valves and couplings during the mixing. The referenced procedures address the routine maintenance of the hoses, valves and couplings used for offloading cyanide solution. The cyanide producer is responsible for the maintenance of the isotanks valves maintenance, but if the mine notices any failure in these valves, the necessary maintenance is given.

b) The SOP Sodium Cyanide Storage and Transportation Procedure in Warehouse Area and Process Plant (Area 800) establishes detailed instructions for unloading and loading sodium cyanide. From the arrival of the truck with the sea container describes the considerations to take into account in the process of the safe truck parking, cargo deconsolidation, inspection of the cyanide boxes conditions, regulations for the forklift maneuvers and speed for storage in the warehouse, and to inspect the cyanide boxes during its manipulation. Likewise, it also describes the transportation of these boxes from the warehouse to the process plant, indicating that only one box should be carried at a time and that in case of rain this operation will not be done. This procedure requires the use of barricades and tags to isolate the area during the activity.
c) This SOP has specific instructions that limiting the height of stacking of cyanide the cyanide IBCs, being in this case of three wooden boxes, as indicated by the cyanide manufacturer. Isotainers are not stored at the mine site since as they arrive, they go directly to the cyanide dissolution process and once finished they are removed from the place.
d) The procedures for mixing cyanide in boxes and for the sparge operation with isotainers, has written procedures that address the prompt clean-up of solid and liquid cyanide

spills during mixing; any spill during these operations must be timely cleaned up. Small spills from the sparging process may be expected during disconnection of the sparge hoses. These spills are hosed into the containment area and the solution is pumped back into the process via the cyanide containment bund manually operated sump pump. Any liquid spills or leaks within the concrete containments are washed to the sump pit and pumped back into the process circuit. During the walkthrough at the mixing areas, it was observed all clean which indicated excellent housekeeping practices.

e) These procedures require personnel to wear PPEs including Tyvek and Tychem suits, full - face mask, with cartridges suitable for HCN gas and dust, googles, hardhat, rubber boots, chemical gloves, safety lifeline, a personnel HCN gas detector and radio configured with the frequency of the mine. These procedures for preparing cyanide solutions also require working with a second operator in the role of observer and assist their partner if required. Additionally, they require both operators to inspect and correctly place their partner's PPE.

   A sodium cyanide-sparging operation was observed during the audit. The review indicated that MML has developed an appropriate checklist, defined the safe tasks, and appropriate observation to safely complete and document all mixing events. The work team for dissolving sodium cyanide was made up of two operators and an external supervisor onsite. Likewise, surveillance is maintained through security cameras of the entire process, from the operations control room. This process can be viewed by any official in the mine who has access to the camera surveillance system.

f) All cyanide used in MML comes with colorant dye incorporated in the isotainer and in the IBC box, resulting in a high-strength cyanide solution red colored. Interviews with plant operators confirmed that high concentrations of cyanide solutions are always color red; the auditor confirmed it at the cyanide addition point in the leaching tank.

Implementation of all these procedures was verified by observation and interviews with the personnel responsible of performing these tasks.

Principle 4 | OPERATIONS

Manage cyanide process solutions and waste streams to protect human health and the environment.

Standard of Practice 4.1

Implement management and operating systems designed to protect human health and the environment including contingency planning and inspection and preventive maintenance procedures.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.1

MML has defined the following operational Areas in the process plant, among others:

- Area 300 grinding;

- Area 400 leaching;
- Area 450 carbon in pulp (CIP);
- Area 500 adsorption (ADR);
- Area 600 filtration;
- Area 610 detox;
- Area 612 SART plant (recovery of cyanide and copper in solution); and
- Area 800 cyanide preparation and distribution.

The operation has developed and implemented written plans and procedures for operating its cyanide facilities in a manner which protects its workers and the environment. This cyanide management system requires operations to identify key risks, develop Standard Operational Procedures (SOPs) and provide task & safety training to employees to ensure they carry out their tasks in a safe manner while monitoring and evaluating effectiveness of programs for continuous improvement.

The SOPs explain those activities required to operate the process plant and ancillary facilities, including milling, unloading, mixing and storage facilities, process plant, detoxification of residual cyanide and dry tailings storage disposal system. These procedures are documented, controlled and kept current on the company intranet site and are readily retrievable if required by personnel. Personnel are trained in these procedures using experienced supervisory staff and qualified training personnel.

Plant operations staff are required to participate in general plant induction and undergo training programs for the various areas of the plant and utilize training manuals to ensure that all operators understand and are able to operate the various areas of the plant in a safe and environmentally responsible manner. In addition, other personnel working in the plant area may be trained in awareness and understanding of cyanide and chemical hazards and responsible management.

SOPs, work instructions and plans for operating its facilities reviewed were the following:

- Cyanide Storage and Transport Procedure
- TXG-MML-ELG-P8-800 PO 001 Cyanide Preparation In 25 Percent Boxes
- TXG-MML-ELG-PB-800-PO 002 Isotank Unloading Procedure
- TXG-MML-ELG-PB-800-PO 003 Procedure for Cleaning a Cyanide Distribution Tank 800
- TXG-MML-ELG-PB-800 PO 004 Equipment Delivery for Maintenance
- TXG-MML-ELG-PB-800-PO 005 Sodium Cyanide Neutralization in Natural Soil
- TXG-MML-ELG-PB-800-PO 006 Procedure for Emergency in Area 800
- TXG-MML-ELG-PB-8DD-PO 007 General Cyanide Poisoning First Response Procedure
- TXG-MML-ELG-PB-800-PO-008 Procedure for Entry into the Cyanide Preparation Area
- TXG-MML-ELG-PB-MET-PO Sedimentation Testing Procedure for Thickener 400
- TXG-MML-ELG-PB-MET-PO 004 Dosage Control Procedure in the Detox Process
- TXG-MML-ELG-PB-MET-PO 005 Hot Cyanidation Test Procedure
- TXG-MML-ELG-PB-MET-PO 007 Determining Au Adsorption of Activated Carbon
- TXG-MML-ELG-PB-MET-PO-008 Procedure for Control of Dissolved Oxygen in Detox
- TXG-MML-ELG-PB-MET-PO 010 Control of Dissolved Oxygen in Pre-Oxidation Tanks

- TXG-MML-ELG-PB-MET-PO-011 Procedure for pH Control in Process Plant
- TXG-MML-ELG-PB-MET-PO-014 Procedure for Determination of Titratable Cyanide
- TXG-MML-ELG-PB-MET-PO 021 Procedure for Performing Bottle Cyanidation Tests
- TXG-MML-ELG-P8-MET-PO-028 Procedure for Cyanide Dosing in Leach Tanks
- TXG-MML-ELG-PB-MET-PO-029 Mach Reactor Monitoring Procedure in Process Plant
- TXG-MML-ELG-PB-MET-PO-031 Procedure for Cleaning and Sampling of Feed Sampler
- TXG-MML-ELG-PB-PO 297 Thickness Measurement Procedure
- TXG-MML-ELG-PB-910-PO-030 Determination of WAD and Free Cyanide by Picric Acid UV-VIS Method
- TXG-MML-ELG-PB-300-PO-022 Temporary Closure or Cessation of Operations
- TXG-MML-ELG… Procedure to Energize Pools with Generation
- TXG-MML-ELG-SSCT-PO-D02 R04 Confined Space Procedure
- TGR-MML-ELG-MAO-PGE-018 Procedure for Notification of Environmental Incidents
- TXG-MML-ELG-ENV-PA-001 Procedure for Sampling Contact Water
- TXG-MML-ELG-SHE-PO-002 Hazardous Materials Spill Procedure and Control
- TGX-MML-ELG-SSCT PO-017-R02 Incident Investigation Procedure
- TXG-MML-ELG-PB-PO-22 Contingency Procedure for Lack of Electrical Power in the Main Substation
- TXG-MML-ELG- PB-PO 230 Start-Up Procedure Emergency Generator 13.8 KV (2)
- TXG-MML-ELG-MA-PA-001 Fauna Mortality Procedure
- TXG-MML-ELG-PB-610-PO 001 Cyanide Recovery Thickener Start-Up Procedure
- TXG-MML-ELG-PB-610-PO 002 Starting Sodium Cyanide Destruction Tanks
- TXG-MML-ELG-PB-610-PO-003 Dosing Procedure for Cyanide Destruction Reagents
- TXG-MML-ELG-PB-650-001 Process Water Pump Change Procedure
- TXG-MML-ELG-P8-65O-002 Process Water System Operation Procedure
- TXG-MML-ELG-CAP004 Training Procedure in Sodium Cyanide Risk and Emergency Management and Response
- TXG-MML-ELG-ENV-MN-001-RO Environmental Monitoring Manual
- TXG-MML-SHE-ELG-PA-001 Contact Water Sampling
- TXG-MML-SSCT-PO 013-03 Change Management Procedure
- PT-40 01 Water and Wastewater Sampling
- Cyanide Training Procedure 300124
- Operations, Maintenance and Surveillance (OMS) Manual for Storage and Filtered Tailings Deposit (NewFields, 2014)
- Site Water Management Detailed Engineering Report (AMEC, 2014)
- Technical Memorandum Media Luna Project Global Water Balance (ERC, 2021)
- Process Design Criteria (M3, 2014)

The auditor reviewed these documents, interviewed plant operators, maintenance area and environmental personnel, verifying that MML personnel understands how to manage cyanide in a manner that prevents releases to the environment and exposures to workers and the community.

These documents are adequate to provide measures to protect human health and the environment as they describe cyanide-related safe work practices. The auditors reviewed the operation's written operating plans and procedural documents confirming that they address the

safe operation of all cyanide facilities. Implementation of the listed documents was confirmed through inspection of these activities and interviews with the personnel responsible for performing these activities, and review of available documentation, such as operational and inspection records.

MML operational plans and procedures provide the link between its design and the necessary operational practices. The site's operating plans and procedures, reference the assumptions and parameters on which the design was based, as well as applicable regulatory requirements related to prevention of cyanide releases and exposures, to allow the operation keep track of why it is operating according to a specific plan.

The auditor reviewed the Process Design Criteria developed by M3 Engineering & Technology Corporation (M3) for Minera Media Luna S.A. de C.V. Morelos Project, last version dated May 27, 2014. These design criteria were based upon Torex Gold corporate guidelines and standards, local regulatory and other requirements, documented best practices.

Also reviewed the Technical Memorandum dated January 2022 from Ecological Resource Consultants, Inc. (ERC) that was retained by NewFields to prepare a water balance for the Media Luna Project, and reviewed a summary of AMEC Site Water Management, Detailed Engineering Report for Morelos Gold Project.

The plant procedures have been developed and continuously updated for improvement based on the original Process Design Criteria and complementary studies. Critical design parameters are referenced in the original design criteria as well as in various management plans, and SOPs. Critical parameters include:

- The design or required freeboard for the water ponds with 3rd party support to develop the probabilistic water balance and evaluate extreme rainfall events.
- Operating pH above 10.5 for cyanide solutions to avoid the formation of HCN gas.
- HCN gas levels at 4.7 ppm (parts per million) requires stop the works until gas levels drops.
- Efficiency sought for the detox plant equal to or greater than 90%
- The design storm events for containments and impoundments. AMEC determined that the 1-100 year, 24-hour storm event is 155 mm of rainfall occurring over a 24-hour period

The auditor confirmed compliance reviewing the operating plans and procedures confirming inclusion of these major parameters, and by interview with personnel responsible for the operation and maintenance of the facility. Personnel showed good awareness of these parameters.

MML has developed and implemented work procedures for cyanide related tasks, which describe the standard practices necessary for the safe and environmentally sound operation of the cyanide facilities. The operation has identified equipment, personnel, and procedures for cyanide unloading and mixing activities as well as for storage facilities, the process plant, and all associated piping and pumps as having contact with cyanide.

For example, the specific measures needed for compliance with the Code, for the safe and environmentally sound operation of the facility are described in SOPs, manuals and plans :

- Cyanide Storage and Transport Procedure

- Cyanide Preparation In 25 Percent Boxes
- Isotank Unloading Procedure
- General Cyanide Poisoning First Response Procedure
- Sodium Cyanide Neutralization in Natural Soil
- Procedure for Temporary Closure or Cessation of Operations
- Procedure for pH Control in Process Plant
- Procedure for Cyanide Dosing in Leach Tanks
- Confined Space Procedure
- Procedure for Notification of Environmental Incidents
- Procedure for Sampling Contact Water
- Hazardous Materials Spill Procedure and Control
- Incident Investigation Procedure
- Fauna Mortality Procedure
- 2014 AMEC Site Water Management
- ERC Global Water Balance
- Environmental Monitoring Manuals
- Filtered Tailings Storage Manual

These documents address environmental, safety, operational controls, inspection requirements and preventative and corrective maintenance aspects of the facilities. Procedures were available for both normal and upset or emergency operating conditions.

The operation's work procedures and plans listed above addresses those aspects of the operation that are necessary for protection of workers, communities and the environment. Specific items addressed include preventive maintenance programs for critical equipment, inspection programs for cyanide facilities such as milling area, process tanks, pipelines and dry tailings storage facility, operational controls, environmental, health and safety topics, preventive maintenance, water balance, and inspection processes for equipment, secondary containments, environmental media, and wildlife protection, among others. The procedures provide the protocol for managing process solutions and maintaining the associated containment facilities within the process areas (i.e., the containments, pumps, drains and valves) in good conditions. Procedures were available for normal and upset or emergency operating conditions.

The Filtered Tailings Storage Manual (FTSM) describes the management of ponds 1, 2 and 3, which are the unique storage of process water but do not constitute cyanide facilities as they have values less than 0.5 parts per million (ppm) of Weak Acid Dissociable (WAD) cyanide.

Through SAP software platform inspections are managed in each area. For example, weekly inspections for the cyanide preparation area are scheduled and carried out ; work orders are generated to carry out inspections of the plant operations areas. The inspection format is recorded in the respective work order. By mean of a cellphone application (App), MML personnel can use their cell phones to enter inspections directly to the SAP system; also any worker can enter a work task observation, among others, my mean of this App.

MML has a preventive maintenance for critical equipment managed using SAP software. Preventive maintenance and calibration plans are generated automatically for the specific

frequency of the equipment. Work orders generated from inspection forms are entered in the system, including assigned priority.

MML has developed and implemented the Change Management Procedure (CMS) to ensure that the relevant risks are captured, evaluated, controlled before changes to facilities, equipment, processes, and/or resources and equipment are implemented. The need for changes can be identified via inspections, corrective actions, audits, accident/incident reviews and employee inputs during pre-shift, safety and other meetings. The purpose of the CMS is to ensure that systematic processes are in place to evaluate any changes at the plant so that the risks of incurring negative impacts to people, environmental, property, or product quality are minimized.

The CMS identifies changes to the facility or its operating practices related to cyanide usage or cyanide presence. This way, the hazard that may increase the potential risk for cyanide releases and worker exposures have to be evaluated and addressed before such changes are implemented.

The CMS requires notification to Environmental and Safety personnel and sign offs by these areas, among others, before the change can be instituted is the best way to address this. The environmental and health and safety reviews are guided by a detailed checklist. CMS can be accessed via MML intranet. The system will allow the log only of authorized personnel on the operation.

Verification was through review of the CMS online of completed procedures that have been signed off by environmental and health and safety personnel, and review of its dissemination through the log records of areas and personnel participant of the process.

MML has implemented contingency procedures for the process plant to respond to problems identified by monitoring and inspections, and to address temporary closure of the operation. The contingency procedures have been incorporated into various SOPs and management plans at the operation. In addition to these operating procedures, contingencies management documents and procedures are in place to help control the adverse effects from abnormal conditions. The operation have cyanide management contingency procedures for non-standard operating situations that may present a potential for cyanide exposures and releases, such as:

a) The ERC Global Water Balance model developed to evaluate the movement of water throughout the mine site and estimate water storage, flow rates, potential changes to current contact water management procedures and upset in the operational water balance that presents a risk of exceeding the design containment capacity. Also the 2014 AMEC Site Water Management addresses non-standard operating situations.

   For the purpose of this report, contact water is defined as water that have had contact with sodium cyanide during the production process and that can arise from the final phase (tailings) and their original conditions have been modified due to this.

b) Procedures related to responses to contingency events include environmental monitoring; the environmental inspection checklists include the range of standard operating values and otherwise corrective action are required. The Dosing Procedure

for Cyanide Destruction Reagents includes response actions for cyanide concentration in the cyanide detox system, so cyanide concentration design criteria is met.

c) The procedure Temporary Closure or Cessation of Operations includes step-by-step measures for stopping and starting the plant facilities. Protocols and procedures related to shutdown of cyanide facilities include the process plant and tailings line. The procedure for shutdown of cyanide facilities also account for when longer-term temporary closure or cessation of operations may be necessary. The operation's procedure for temporary closure or cessation of operations, the mine closure plan, the emergency response plan, the environmental monitoring plan, the inspection procedures and maintenance activities sufficiently address how cyanide would be safely managed during such an event. This includes management of any cyanide on site, such as solid cyanide stored in IBCs, reagent-grade cyanide solution stored in tanks, and lower-concentration process solution within the process facilities, such as tanks, vessels and pipelines, as well as conducting ongoing facility inspections and required maintenance and water monitoring activities.

The control room and process plant operators demonstrated knowledge of the contingency shutdown procedures for safely ceasing operations in the processing plant in the event that there is a threat of process water release. The procedures for the plant are adequate to respond to upsets in water balance, problems identified by inspections, and to address temporary closure of the operation.

MML has a program to conduct inspections to the cyanide facilities with frequencies that varies from daily, weekly, monthly, quarterly and annually. Inspections are conducted by personnel from different areas to the same facilities, which provide additional certainty that conditions that could generate impacts to health or the environment will be identified. MML inspects the unloading, storage, mixing and process areas, as detailed below:

a) Tanks holding cyanide solutions for structural integrity and signs of corrosion and leakage are inspected weekly: cyanide preparation and distribution tanks, leaching tanks, sludge recirculation tanks, detox tanks, tailings filter canvas washing tank and tailings filter feed tanks. During these inspections it is required in the inspection checklists, visually verifying that the tank does not have cracks, that its structure is integrated to rule out signs of corrosion and leaks. The auditor also reviewed reports of ultrasound tank inspections of the various tanks, including the leaching tanks, carried out by an external contractor API (Industrial Predictive Analysis S.A de C.V.) for years 2022 and 2023 where they show the current status of the equipment reporting the minimum thickness measured the maximum thickness measured with graphs showing homogeneity in the measurements as well as the wear trends in the calculated measurement.

b) The weekly inspection checklists for tanks also require inspecting the secondary containment system and the sump pump, among others. The inspections require to check to secondary containments provided for tanks for physical integrity, the presence of fluids and available capacity, and to ensure that any drains are closed and, if necessary, locked, to prevent accidental releases to the environment.

c) MML does not have leach pads, its water ponds lined with geomembrane are not defined as cyanide installations as stated before. No leak detection and collection systems are at ponds, as required in the design documents. However, due to

environmental compliance, the operation has groundwater monitoring wells and monitors for water quality downstream of the ponds, reservoirs and drains of the ponds. The water management system includes four sediment ponds that receive contact water that requires treatment for sediment load prior to discharge to the environment. Contact water from the FTSF and plant site are collected in three ponds (Ponds 1, 2, and 3), which are pumped to the Central Water Pond (CWP) for use in the mill. FTSF contact water includes runoff from the FTSF surface, underdrain flow, and seepage that is collected below the pond dams.

d) The same inspection checklists used for the tanks associated with the system, include inspecting the pipes, valves and pumps for deterioration or leakage, requiring checking these elements for physical integrity and, if necessary, locked, to prevent accidental releases to the environment.

e) The process plant is elevated there is a single runoff diversion channel near the clinic which discharges into a culvert which in turn discharges into an adjacent stream the mining area maintains this diversion channel as part of its plan surface water management another surface water management is the one with the dry tailings deposit. MML inspects its ponds and the FTSF for the parameters identified in their design documents as critical to their containment of cyanide and solutions and maintenance of the water balance, such as available freeboard and integrity of surface water diversions.

The operation organized its inspections into inspection program what they call Inspection Routes which are classified for each area of the operation. Each of these inspection routes has inspections registers and checklists performed at a given frequency according to scheduled SAP system that issue work orders requiring inspection is carried out.

The inspection program was found to be sufficient to assure that the operation is safe and functioning within design parameters. The auditor reviewed inspections records and verified these are being completed on an appropriate frequency and according to scheduled inspection programs. Also, there were conducted field inspections during the site visit, verifying the condition of tanks, secondary containments, pipelines, pumps, valves and FTSF.

Records of audits, inspections and subsequent corrective actions identified are documented including the nature and date of the corrective actions. Daily and maintenance inspections are recorded on the inspection sheets and any follow-up work requests are logged. Inspection sheets and work orders identify the name of the inspector, the date of the inspection and any items identified for corrective actions.

Corrective actions from inspections are logged in the SAP. Due dates and responsibilities for corrective actions are assigned depending upon associated risk level. Records of inspections are retained, the auditor reviewed inspections records examples and found them to be in compliance as they include the date of the inspection and the name of the responsible of the field inspection, as well as observations, comments and deficiencies found. If the deficiencies are related to maintenance of equipment or facilities, a work order is issues for action.

MML has developed a system to manage all maintenance tasks including those identified during inspections. Planned maintenance schedules are generated in the SAP system which is then

automatically issued at the prescribed date and/or frequency as a work order. Maintenance schedules are determined according to the level of risk associated with the equipment and/or manufacturer recommendations and specifications.

The operation has a Preventive Maintenance (PM) program for its cyanide facilities where a failure can result in a cyanide release or exposure. The program is used to perform the necessary maintenance and inspect the integrity of process equipment, piping and tanks, according to a maintenance program and every time is needed to keep equipment and installations properly working.

Pumps, pipelines, tanks, valves, sensors and safety equipment are all included under the preventative maintenance program. These equipment lists and PM schedules are maintained in the SAP system by process maintenance personnel and are updated as required due to plant changes, incidents, audits and/or inspection findings. When determining PM frequency, consideration is given to the level of associated risk and the availability of spare and/or redundant equipment when determining the equipment category.

The PM schedule provides a listing of the equipment along with the planned schedule for maintenance. The PM system is managed using SAP software, which automatically produces PM work orders on an established schedule. The system identifies future activities for regular PM and includes information on the task requirements and completion. The software is used to generate and retain all documentation for programmed maintenance work. Corrective maintenance activities are documented by work orders, which are generated manually and electronically.

The maintenance planner generates weekly planning programs for both mechanical and electrical systems. The planning programs include maintenance inspections, PM schedules, predictive maintenance, lubrication and any corrective maintenance requirements identified by operational and maintenance inspections. Maintenance considers mechanical, electrical and process control areas.

The auditor inspected the cyanide facilities, reviewed maintenance records and interviewed employees, determining compliance with this requirement. The operation maintenance system appears to be sufficient for preventative, corrective and predictive maintenance for safe cyanide operations at MML.

MML is supplied with electrical power by the from the public network by Federal Electricity Commission. In the event of a power outage, the operation keeps in operation, with its own emergency power equipment, the following leaching process:

- 400 leaching;
- 450 carbon in pulp (CIP);
- 500 adsorption (ADR);
- 600 filtration;
- 610 detox;
- 612 SART plant (recovery of cyanide and copper in solution); and
- 800 for cyanide preparation and distribution.

Two power generators are at Area 913 for the plant; other two generators at Area 600 for filtration and ponds; one generator for Area 500 ADR and other one at Area 612 for the SART plant.

A maintenance program is in place to maintain backup power availability in case of a power failure. The emergency generators are inspected and tested as part of the self-managed plant preventative maintenance program.

SOP "Manage Emergency Power Load" details the actions to be taken to ensure that critical equipment continues to operate and ensure environmental compliance as well as preventing operational / mechanical interruptions and failures. Currently the power plant provides around 26 MW on a regular basis. Heavy fuel oil reserves are for 15 to 20 days of operation. The power plant has its own maintenance personnel conformed by 6 technical among electricians and mechanicals.

MML has the written procedures Procedure to Energize Pools with Generation; Contingency Procedure for Lack of Electrical Power in the Main Substation; Start-Up Procedure Emergency Generator 13.8 KV (2), in which are detailed the preconditions to launch the generators, and to ensure the leader of the maneuvers by the communication channel is a single person and whoever coordinates with other power plants to avoid accidents or damage to property.

MML has implemented the sequence that establish the safe operation of the blackout start and perform black out start sequences in safe conditions. This procedure is always required when restoring power after a black out. In case of a total power failure, the blackout start unit can be used to provide power for the auxiliary equipment needed when starting one of the main engines.

Maintenance records for the emergency generators were reviewed as verification. These include a summary of power management guidelines for the generators, corresponding work orders, services performed on the emergency generators. The auditor reviewed maintenance records verifying that the operation maintains and tests these equipment as necessary to ensure that it is functional if and when needed.

Standard of Practice 4.2

Introduce management and operating systems to minimize cyanide use, thereby limiting concentrations of cyanide in mill tailings.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.2

The operation recycles water from the CIP tailings to the process. The operation uses this recycled water in the milling circuit; the operation does not add cyanide during the mineral grinding process. WAD cyanide concentrations in the milling circuit is greater than 0.5 mg/l.

Cyanide is added in the leaching tanks. To evaluate cyanide use and adjust the addition rate to minimize its use, MML has developed and implemented the Procedure for Cyanide Dosing in Leach Tanks. In addition the process plant in coordination with the mine, perform a forecast on the mineral feed to be entered monthly to the process plant and every eight days they coordinate it in meetings and the changes of the week to come are shared. The behavior of the value recovery rate is also continually analyzed, there is a review of the blending strategy where it is indicated, for example, what to do to maintain the mineral grade.

The procedure requires that a pulp sample be taken from the discharge box of each leaching tank to determine the free cyanide by the cyanide titration method with silver nitrate in the mine metallurgic laboratory. The free cyanide data obtained from the samples reported by the laboratory is evaluated whether or not a higher dosage of sodium cyanide is required in leaching tanks. This is carried out every 4 hours. The process plant has 11 leaching tanks; currently operates with seven of them. The dosage control depends on the mineralogical characteristics of each mineral. The consumption of cyanide is based on the observed trend of the previous results. There is no fixed concentration of free cyanide or cyanide established in the plant.

Results from the daily cyanide concentration analyses are a continuous strategy to control cyanide addition. The results are reviewed and if changes are needed then they are communicated to the process operator.

The auditor reviewed the records for cyanide monitoring, internal communications and sampling workflow, and by interview with the Superintendent of metallurgy, confirmed MML has implemented a program to evaluate cyanide use and adjust the addition rate to minimize its use.

Standard of Practice 4.3

Implement a comprehensive water management program to protect against unintentional releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.3

MML maintains the necessary tools to facilitate proper water management, including a Web-GIS Dashboard and a site-wide comprehensive, probabilistic water balance model. MML is committed to continual improvement and optimization of the water management plan and tools, as dictated by best practice.

The water management infrastructure at the site has operated successfully due to a combination of proper design and effective management. The four sediment ponds and four contact water ponds have demonstrated stable dam conditions and no uncontrolled discharges via the engineered spillways have been reported.

Ecological Resource Consultants, Inc. (ERC) was retained by NewFields to prepare a water balance for the MML. The purpose of the water balance model was to evaluate the movement of water throughout the proposed mine site and estimate water storage, flow rates, and potential changes to current contact water management procedures. ERC developed the water balance model using GoldSim (GoldSim Technology Group 2018) and a monthly time step. The auditor reviewed ERC´s Technical Memorandum from January 2022 from describing the model development including the model assumptions and setup results. Also reviewed AMEC´s Site Water Management Detailed Engineering Report Morelos Gold Project Detailed Engineering dated March 2014.

As stated in ERC´s memorandum, currently, the El Limon – Guajes (ELG) Mine Complex (site) includes water management and water supply ponds, 3 open pit mines (Guajes Pit, El Limon Pit, Limon Sur Pit), the ELG underground mine, a filtered tailings storage facility and several Mill process buildings, including a plate and frame filter plant (Filter Plant). Future mining will include developing the Media Luna ore deposit, which is located across the Rio Balsas from the ELG site. The Media Luna Mine (MML) plan includes the Media Luna underground mine and Paste Thickener and Paste Plant.

The water balance model was setup to evaluate both current and future options at the ELG site. Presently, the current operations send tailings to a Plate and Frame Filter Plant (Filter Plant), and then to a Filter Tailings Storage Facility (FTSF) located south of the Truck Shop. Beginning in mid-2024, the Media Luna Project will begin operation and at that time the ELG Mill will begin to generate tailings from two processes; notably, leached concentrate and flotation-leach streams. These tailings streams are referred to as FeS-Cons and FeS-Tails, respectively.

The water balance considers the following in a reasonable manner for the facilities and environment:

a) The model includes a constant milling rate of 10,000 tpd from 2024 through 2032. Also provides a monthly schedule of Paste Plant operation from mid-2024 through 2027, then yearly from 2028 to 2032. MML does not have leach pads.
b) A design storm duration and storm return interval that provides a sufficient degree of probability that overtopping of the ponds can be prevented during the operational life of the facility. AMEC report determined that the 1-100 year, 24-hour storm event is 155 mm of rainfall occurring over a 24-hour period, while the values presented in ERC´s report are for the entire month. However, the upper percentile categories include months with significantly more than 155 mm rainfall. Additionally, AMEC estimated a 1–50-year wet year and a 1–100-year wet year precipitation volume. Notably, these values are 1,446 and 1588 mm/yr, indicating the water balance model includes more extreme events.

   The storm water data was estimated from M3 Engineering & Technology Corporation (M3) study in 2021 regarding land use and drainage areas. M3 tabulated estimates of the contributing area by land use type for the watersheds at the ELG site. ERC updated the monthly runoff coefficients used to estimate the total runoff for each land use type.

c) The quality of existing precipitation and evaporation data in representing actual site conditions is considered. Historical precipitation data from meteorological stations in

the vicinity of the project site from 1969 to 2011 was utilized for the AMEC hydrologic analyses, information that was taken as reference for the ERC´s water balance model.

The water balance model uses monthly precipitation and evaporation data using historical data from the mine site, which was available for the period from January 2015 through January 2020. ERC´s water balance mean evaporation considered monthly with average of 169 mm3/month. The model predicts seasonal rainfall trends with significant precipitation during May through November, and a dry season from December through April. Over the course of the 100 Monte Carlo simulations, each monthly timestep of the simulation calculates a monthly precipitation value. The model can predict both very wet and very dry months, but the 50th percentile closely match the observed average precipitation for the 2015 to 2020 period of record.

d) The model simulates the inflows and outflows to each of the 4 ponds (Ponds 1, 2, 3 and the Central Water Pond [CWP]) constructed throughout the ELG Mine Complex storage facilities, which capture runoff contact water for use in the Mill. Depending on each pond elevation-area-capacity, the model simulates the pumping rates using two pumps, a low-rate pump, and/or a high-rate pump as well as evaporators. The model also considers all runoff to Guajes East and West Pit, El Limon Mine Pit and sediments ponds 5, 6, 8 and 9 which were constructed at the ELG Mine Complex to act as sediment ponds which capture runoff before it can transport sediment into local drainage valleys. The Guajes East Pit has a current maximum storage capacity of 1,090,095 m3 which corresponds to an elevation of 719 m assuming 1 ft of freeboard to the lowest level of the pit rim. The east pit is used to store water throughout the model simulation. Currently, water from the East Pit can evaporate, seep out of the pit at a rate of 60 m3/d, or be used to meet dust suppression and service water demands.

   Runoff from the western slopes of the FTSF will be collected in Ponds 1 and 2. Runoff from the eastern slopes and crest of the FTSF will be collected in Pond 3 via the FTSF Ditch. Seepage through the FTFS is expected to be low due to the low hydraulic conductivity of the tailings and low infiltration. The FTSF is located in existing valley bottoms which are typically groundwater discharge zones. There are some existing seeps in the valley bottoms under the FTSF. Flow-through drains will convey this seepage to Ponds 1 and 2. This water will be routed to the CWP by pumping via Pond 3. Water from the CWP will be utilized for mill operations and the excess will be decanted through the overflow spillway.

e) Potential freezing and thawing conditions are not considered in the water balance model. The Morelos Property is located in a sub-tropical zone. The average annual temperature is 23–29ºC.

f) The model simulates the inflows and outflows to each of the 4 ponds (Ponds 1, 2, 3 and the Central Water Pond [CWP]) constructed throughout the ELG Mine Complex storage facilities, which capture runoff contact water for use in the Mill. Depending on each pond, the model simulates the pumping rates using two pumps, a low-rate pump, and/or a high-rate pump as well as evaporators. The model also considers all runoff to Guajes East and West Pit, El Limon Mine Pit and sediments ponds 5, 6, 8 and 9 which were constructed at the ELG Mine Complex to act as sediment ponds which capture runoff before it can transport sediment into local drainage valleys.

The model considers the water demand for the haul road dust suppression, service water demands for the current ELG underground operations, the mill fresh water and fresh water for SART from the Atzcala well field. The model meets the total Mill water demand using the following sources listed in the order of usage:

- Ore Moisture – The incoming ore has a moisture content of about 3 percent.
- Azcala Well Field – A minimum pump rate equal to the 10 l/s is modelled to supply potable water and fresh water for the SART process.
- Reclaim from the Filter Plant (Prior to mid-2024 only)
- Reclaim from the future Paste Plant Thickener and Paste Plant
- Reclaim from the Guajes Thickener
- Reclaim plus Make-up water from the Guajes West Pit FTSF (Primary Make-up Source)
- Make-up water from the CWP & Pond 3 (Primary Make-up Source)
- Make-up water from the East Guajes Pit (Secondary Make-up Source)
- Make-up water from the Atzcala Well Field (Last resort Make-up Source)

g) The water balance considers the effect of using two evaporators in ponds 1, 2, 3 or CWP in case of extreme rains. MML does not have leach pads, there are no draindown that would affect the operation in case of potential power outages. In case of pump failures in the ponds, they have backup equipment and emergency power generators to continue operating.

h) MML is a cero discharge operation, no water that has been in contact with the process (contact water) is discharged to surface waters.

i) The assumed phreatic surface in the FTSF is not considered in the water balance model due to the low permeability of the dry filtered tailings.

Operational procedures specify the minimum freeboard requirements for the ponds 1, 2 and 3 to prevent overflow during extreme weather events. The auditor reviewed records of field inspections carried out that include to check free board levels of the pools, as indicated in the Manual of Operations, Maintenance and Surveillance for the Storage Deposit of Filtered Tailings (OMS Manual), prepared by NewFields, dated November 2023, which includes all ponds management.

The following Table 8-7 of AMEC´s 2014 Site Water Management Detailed Engineering Report, specifies the required freeboard for these ponds:

Table 8-7: Pond Water Levels and Freeboard for EDF (m)

	100-Year 24-Hour		100-Year 30-Day		100-Year 90-Day	100-Year 120-Day	Maximum Elevation	Spillway Elevation	Freeboard
	Ultimate	Interim	Ultimate	Interim	Ultimate	Ultimate			
Pond 1	511.03	511.66	511.29	506.85	512.46	510.99	512.46	513.00	0.54
Pond 2	503.17	504.33	503.99	500.58	506.84	503.27	506.84	508.00	1.16
Pond 3	647.19	642.40	645.95	640.58	645.55	646.16	647.19	648.00	0.81

The OMS Manual requires daily/weekly/quarterly inspections by MML, monthly inspections by MML and NewFields, and event-based inspections by MML. It also requires geotechnical

instrumentation monitoring/reporting, geotechnical instrumentation interpretation, operations, maintenance and surveillance documentation and reporting.

As stablished in the OMS Manual, the facility monitoring is done to provide management with information to assess whether the FTSF is being managed in accordance with the objectives set by the Mining Association of Canada (MAC) and the Ministry of Environment and Natural Resources (SEMARNAT).

Key information is formed based on the following continuous surveillance programs:

- Routine visual inspections of the FTSF.
- Water balance measurements.
- Geotechnical instrumentation measurements and documentation showing the monitoring of the performance of the FTSF.

Four levels of routine visual inspection are required: daily, weekly, quarterly, and annual. Standard checklists are developed and included in the appendices of the OMS Manual.

The FTSF water balance includes all fluids entering and exiting the facility. The results of water balance measurements will be used to optimize operations and also as a potential indicator of problems with components of the installation. The Water balance includes several operating components of the facilities that must be measured and document as summarized in the following table, which also includes activation levels alerts that require operational changes or lines of communication initiated by MML.

Water Balance Components and Monitoring

Component	Monitoring and Logging Schedule		Level or Activation Event	Required Action
	Rainy season	Dry season		
Percentage of filling of contact water ponds	Daily	Weekly	95% filling in some pools or0 85% filling in the pool set	Contact the Engineer of Record
Percentage of filling of auxiliary sumps within the FTSF	Daily	Not applicable	90% fill	To be determined
Leaks through berthing	Daily	Weekly	Appearance of flows on the outside of the berth	Contact the Engineer of Record
Change in the flow of subdrains	Daily	Weekly	The change is a filtration rate greater than 25% of the baseline value	Contact the Engineer of Record
Precipitation	Daily	Daily	Precipitation recorded by rain gauges in mm.	To be determined

MML has a number of programs in place to monitor and maintain the water balance. Precipitation data is collected via site-based rain gauges. This data is then updated into the water balance model no less than annually for calibration. Staff compare updated meteorological data provided by the Environmental Area against design assumptions and where necessary adjust effluent treatment plant operating practices. The water balance projections are revised as necessary based on actual data.

The site (along with Mexico in general) experiences pronounced wet and dry seasons. Precipitation for the site in the winter months (November to April) averages only 5 mm per month, while June to September average 155 mm per month, for an annual average of 768 mm. The annual potential evaporation is about 2,221 mm, exceeding the available precipitation. The watershed runoff is low, estimated to average 12% of precipitation. Dry season precipitation results in no runoff (Golder Associates Ltd.,2013a).

The auditor reviewed the water balance model, data records and interviewed the mine personnel responsible for the water balance confirming that the parameters used in the water balance modeling were being continually monitored and maintained as part of the operations, and that this facility is operated within its design parameters.

Standard of Practice 4.4

Implement measures to protect birds, other wildlife and livestock from adverse effects of cyanide process solutions.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 4.4

MML has no open waters where WAD cyanide exceeds 50 mg/l.

External laboratory ALS-Indequim based in Monterrey is in charge of sampling water from the four ponds with contact water where, among other parameters, it samples WAD cyanide on a monthly basis. Until March 2024 the maximum value was in February with 0.078 ppm WAD cyanide in Pond 2. For year 2023 was in June with 0.335 in Pond 1.

WAD CYANIDE IN CONTACT POOLS - 2024				
Month	*CN-WAD P1*	*CN-WAD P2*	*CN-WAD P3*	*CN-WAD CWP*
January	0.044	0.021	0.019	0.020
February	0.041	0.078	0.001	0.001
March	0.001	0.027	0.091	0.005
Average	0.029	0.042	0.037	0.009

The reference method for the WAD cyanide assay is ASTM D6888-16 (2016) (VALIDATED-Modified, 2019): Standard Test Method for Available Cyanide with Ligand Displacement and

Flow Injection Analysis (FIA) Utilizing Gas Diffusion Separation and Amperometric Detection. "ASTM": American Society for Testing and Materials.

ALS-INDEQUIM S.A de C.V. (ALS) is a testing laboratory with accreditation No. AG-173-049/11 accreditation validity as of 2011-04-14 accreditation granted under the NMX-EC-17025-IMNC-2018 (ISO/IEC 17025:2017) general requirements for the competence of testing and calibration laboratories. ”IEC”: International Electrotechnical Commission; “ISO”: International Organization for Standardization.

Operational checklists at the Ponds that routine checks are done for wildlife mortalities inside and in the surroundings of the Ponds. MML does not have a heap leach operation. In addition, any wildlife mortality identified at any area of the mine would be recorded as an environmental accident and an investigation would be conducted to ascertain the cause in accordance with reporting protocols.

The WAD cyanide values in the Ponds are well below the recommended value of 50 mg/l. Reported values in the Ponds have been below 0.335 mg/l. Maintaining these WAD cyanide concentrations in open water at the Ponds is effective in preventing significant wildlife mortality. Regardless of that, the Environmental Area conducts wildlife inspections, registering any presence of animals and, specifically, if any dead animals are found. The auditor reviewed the wildlife monitoring registers finding no register of dead animals.

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Standard of Practice 4.5

Implement measures to protect fish and wildlife from direct and indirect discharges of cyanide process solutions to surface water.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.5

Excess water from the Central Water Pond (CWP) is designed for discharge to the environment. (AMEC - Morelos Gold Project, Site Water Management Detailed Engineering, Report No. RP-133911-7000-001, March 2014). According to interviews with the mine environmental personnel, to date there has been no need to carry out such discharges to surface waters. In any case WAD cyanide content in the CWP is less than 0.5 mg/l, as stated in Standard of Practice 4.4.

If the operation has to proceed with a direct discharge to surface water, a Compliance Team must generate a “Discharge Permit.” No water release has been required or performed. On the contrary, contact water has been stored in the CWP to be reintegrated into the process, given the lack of water during the dry seasons.

The tailings cyanide detoxification system aims to achieve a tailings box discharge of below 5.0 mg/l. Sampling is carried out three times a week internally by Process where WAD cyanide is analyzed.

Although MML does not have discharges to surface water, do monitors surface water downgradient of the site for free cyanide concentration. ALS laboratory is in charge of monthly monitoring of surface water in the Cocula and Balsas rivers and creeks. It monitors for total, free and WAD cyanide.
MML maintains a Water Quality Monitoring Plan in conjunction with its overall PSCA (Environmental Monitoring Program) and Operational Water Management Plan (POMA). The primary objectives of the plan are to:

- Maintain compliance with Mexican NOM-001-CONAGUA-1996, including maximum permissible limits
- Ensure a sustainable water supply
- Ensure sufficient makeup for processing
- Prevent non-compliant discharge from water management ponds
- Protect human health and the environment

The plan covers surface and groundwater quality and quantity, process water contained within six contact ponds and the cyanide detoxification circuit, runoff from waste rock facilities and open pits, and domestic water. MML maintains a comprehensive water monitoring program to ensure compliance with water regulations.
Samples are conducted daily, and third-party verification is conducted monthly. In addition, Torex maintains an agreement with the Autonomous University of Guerrero (UAGro) to conduct independent, participatory water quality monitoring in the *Presa el Caracol*. The results are verified by a Mexican accredited laboratory and shared with local communities. (M3 – 2022 Morelos Property Form 43-101F1 Technical Report)

The mine has no indirect discharges to surface water. Seepage from the FTSF go to the four Ponds: 1, 2, 3 and CWP and is pumped back again to the process. Pond 1 is totally lined with geomembrane and Ponds 2, 3 and the CWP, the upstream faces of the dams, are lined with a geomembrane to mitigate seepage. All Ponds have downstream monitoring wells, where, among others, free cyanide in groundwater is monitored quarterly. Monitoring results show that there is no free cyanide excesses.

Sampling points and locations are designated in the Environmental Monitoring Plan in line with the regulatory requirements. The Environmental Monitoring Plan is maintained by the Environmental Area.

The operation has not had a negative impact on the quality of surface waters, it has no indirect discharges to surface waters. No indirect discharges from the operation have caused cyanide concentrations in surface water to rise above levels protective of a designated beneficial use for aquatic life.

Standard of Practice 4.6

Implement measures designed to manage seepage from cyanide facilities to protect thebeneficial uses of groundwater.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.6

The use of groundwater is prioritized for human consumption in the region and as such MML has put in place measures to protect human consumption beneficial use. Groundwater quality monitoring allows to monitor quality of seepage water from ponds or potential deep seepage through the dam foundations, the FTSF and the waste rock dumps (WRDs). Water quality then is compared with the monitoring wells upstream of the respective mine structures. Water quality and water level monitoring wells have been established downstream of each dam for collection of groundwater samples.

MML has stablished the Environmental Monitoring Manual and implemented the Procedure for Water Sampling applicable for contact water sampling as part of MML's environment area's surface and groundwater quality control programs. Groundwater is monitored on a quarterly basis on stablished monitoring wells.

As part of the monitoring of groundwater quality and in order to obtain information on the availability of water in the subsoil and the possible effects in the event of an environmental incident, they monitor the depth of the groundwater within the project area. The Environment Area carries out monthly measurements of the water level in different sampling stations, data is recorded in the Fulcrum application.

Water quality and water level monitoring wells have been established downstream of each dam for collection of groundwater samples. Monitoring is performed in accordance with the Official Mexican Standard NOM-001-SERMANAT-2021 that requires Total Cyanide values <0.004 mg/l and in compliance with Environmental Baseline (LBA) requirements with parameters of WAD cyanide <0.004 and free cyanide <0.004. Groundwater quality monitoring wells include 3 water extraction stations: 2,4,5 on a quarterly basis. Groundwater is monitored in the wells downstream of the contact water, in Pools 1, 2, 3 and CWP, among others, where they analyze for cyanides (total, free and WAD). MML does not use mill tailings as underground backfill.

The auditor reviewed the 2023 compliance groundwater monitoring wells reports carried out by external laboratory ALS indicating no WAD, total or free cyanide excesses.

MML Environmental personnel monitor groundwater for a variety of parameters including cyanide to protect human consumption use, which in the mine area is drinking water (since there is no specific legal requirement for seepage water). In the event that seepage from cyanide facilities is shown to cause cyanide concentrations to rise above levels protective of beneficial use, an event report and investigation would be completed.

All cyanide incidents are investigated and corrective and preventive measures developed, communicated and implemented to remediate any potential environmental, health, safety and community impacts. Final approval of remediation activities must come from the Environmental, Health & Safety and/or Process Manager and include ongoing monitoring/testing to confirm remediation activities are working satisfactorily.

MML does not have seepage that has caused cyanide concentration of groundwater to rise about levels protective of beneficial use.

Standard of Practice 4.7

Provide spill prevention or containment measures for process tanks and pipelines.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.7

All tanks used for mixing, storing, and/or processing of cyanide and/or cyanide solutions are designed with secondary containment. Level indication, operator inspections, secondary containment and sump pumps help to prevent releases to the environment.

The entire process area at MML Process Plant is contained within a concrete pad, including the mixing (Isotainer sparge and IBC mixing areas) and process solution tanks surrounded by curbs, gutters and walls, providing competent barriers to seepage. The concrete floor is sloped to drain to gutters or concrete trench drains, where any spills or rainwater will be pumped back to the process.

The secondary containment concrete slabs and walls have been painted with epoxy material that improve impermeability to the containment system. In addition, epoxy paint has been used for joints and small cracks on the concrete slabs. The secondary containment systems are inspected as part of the process facilities inspection system. The auditor observed that the concrete containment systems were in good condition at the time of the audit.

Process tanks, including mixing and storage tanks, are secured to solid, reinforced concrete foundations, which prevents any seepage from the tank bottoms from entering the ground. Cyanide mixing and storage tanks are located inside concrete secondary containment systems. The auditor observed that all of these concrete foundations and containment systems were in good condition.

All secondary containments for cyanide unloading, storage, mixing and process tanks at MML are designed with adequate storage to contain at least 110% the capacity of the largest tank in the bunded area plus volume for the 24-hour storm event. The tanks are within a concrete containment area which is graded to dedicated sump pumps which under normal operation pump contained spillages to the leach feed distribution box or, alternatively; to the final tails' sump for rainwater management during a shutdown. The systems connecting the concrete

containment areas to the Central Water Pond are constructed of impermeable material lined with HDPE (High Density Polyethylene) geomembrane.

The adequacy of the containment's capacity was assessed during this reviewing the report data on tanks size and calculations of the containment's available volume to confirm this, accounting for the volume occupied by the tanks themselves or any other equipment and/or associated foundations. The auditor also verified through visual observation that there are no materials stored within the containment that compromise this capacity.

All cyanide solutions or cyanide-contaminated water from the process plant that is collected in a secondary containment will be pumped out via dedicated sump pumps with automatic level control where it can be returned to the process or it drains to the CWP via interconnected bunded areas where it is tested and can be transferred back to the process facilities.

The system is subject to inspections and preventive maintenance. All liquids in the containments are considered process solutions and are returned to the process circuits. Given that solutions in containment, whether precipitation or process solution, are returned to the process circuit, no written procedures are necessary.

All process solution tanks at MML have been designed with secondary containment. There are no tanks in MML without secondary containment. During his walkthrough the site, the auditor verified that all tanks with cyanide solutions have secondary containment. Likewise, from the review of the engineering design during the quality assurance /quality control (QA/QC), verified that the project contemplated secondary containment for all tanks.
All cyanide process solution pipelines have containment measures as are within secondary containment, including pipe-in-pipe, lined trenches, earthen berms and/or concrete bunding. Flange covers are also used to minimize the impacts from any spray that may occur on high-risk pipelines.

Flow meters are provided on the tailings line, with an alarm in the plant control room signaling flow disparity if measurements are outside of expected parameters. Additionally, the tailings line contains pressure sensing equipment to signal a change or a loss in line pressure.

Routine inspections are conducted on a per shift basis to identity and report any leaks and or damage to containment structures. These routine inspections are supported by scheduled preventative maintenance on spill prevention and leak detection equipment. Non-destructive testing is conducted by process maintenance personnel to check and monitor pipe wear at high-risk areas.

There are no areas where cyanide pipelines present a risk to surface water that could need special protection because there is no natural surface water in the vicinity of the mine.

The materials used to handle cyanide solutions are made with materials suitable for high pH and cyanide. Tanks with cyanide solutions are made of carbon steel. The pipes are made of stainless steel and carbon steel. HDPE (high density polyethylene), pipes have been also installed from the Detox Area to Filtration and from SART to the process water tank, accompanied by a secondary containment channel. The 3-inch cyanide dosing pipes have been changed from

carbon steel to stainless steel ones. Approximately in a length of 420 m for the leaching area and in about 170 meters those that go to the ADR area, all this accompanied by an additional concrete slab with slopes that allows any spill to be drained towards the secondary containment area.

The design criteria for the plant specifies the materials to be used as outlined in the QA/QC documents detailed in Section 4.8 of the current audit. In the event that changes to cyanide solution tanks or pipelines are required, a change management plan shall be followed to ensure that compatible materials are used for the installation works. Material specifications and construction material testing records for cyanide-containing equipment were reviewed and found in compliance.

Standard of Practice 4.8

Implement quality control/quality assurance procedures to confirm that cyanide facilities are constructed according to accepted engineering standards and specifications.

The operation is

- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 4.8

Quality assurance and quality control (QA/QC) programs have been implemented during construction and substantial modification of all cyanide facilities in MML.

Following the publication of a feasibility study in October 2012, construction of ELG began in October 2013 and commercial production was declared in April 2016. The process plant infrastructure for the operating processes as originally designed and constructed, has passed through subsequent modifications as part of optimization programs. The SART plant was successfully commissioned in 2018. Operation of the CIP circuit has steadily improved, resulting in an average stage recovery of 95.7% for the year in 2021

MML plant site was constructed between 1997 and 1998. M3 Engineering & Technology (M3) was the EPCM (Engineering, Procurement, Construction & Management) contractor and subcontracted companies as Golder Associates, SRK, AMEC. A full QA/QC program was implemented during construction. These records were and found to be in full compliance with the requirements of the Code. In addition to M3, contractor Reliable Controls Corporation performed the "Commissioning Plan Assessment and Recommendations" dated June 2015. The referenced quality assurance and quality control program included the construction of the Filtered Tailings Storage Facility for the required geotechnical-related aspects to Amec Foster Wheeler including the routine assessments of the facility to evaluate its physical integrity and stability.

The auditor reviewed the project files for Technical Scope, Technical Documentation: earthworks, geosynthetics, piping, piezometers, pumping wells, Schedule and Construction Sequence and Construction Procedures.

QA/QC construction records reviewed for the Ponds wall dams raisings include:

- Earthworks records-
  - survey protocols,
  - surface layer extraction,
  - competent ground foundation,
  - structural fill approval,
  - surface compaction,
  - essays on granulometry, compaction and humidity.
- Geomembrane installation and materials certificates.
  - density tests,
  - waterproofing,
  - geomembrane deployment,
  - fusion tests,
  - seam control records,
  - geomembrane repair records,
  - destructive melting results.
- Quality work procedures for: soil compaction, settlements, geomembranes installation, quality control for pipelines and geomembranes.
- Calibration certificates and equipment certification.
- Pumping wells - piezometer records for: piezometer raising, well sealing, new piezometers and pumping wells.
- Daily records of QA/QC activities: supervision and quality assurance and inspections.
- Service orders, meeting minutes, technical memorandums.
- As built drawings with the signature of the responsible professional.
- Materials quality certificates as for pipelines couplings and geomembrane.
- Quality dossiers.

For the Process Plant the auditor reviewed:

- Foundation Design and Specifications.
- Design drawings of the cyanide storage and preparation area.
- QA/QC Report and Commissioning and Start-Up Report for the CIC Plant;
- QA/QC for concrete by Seitetra contractor.
- QA/QC Structural Steel Check Lists on equipment installed (i.e., tanks, pumps, clarification filters, etc.) by Seitetra contractor
- Inspection of steel reinforcement for reinforced concrete structures, by Codeas contractor
- Topographical verification records by IngTop contractor
- Grouting and quality of the concrete approved
- Complete construction plans for the area 800
- Piping installations checklists
- QA/QC for Area 300 Mill, construction in charge by contractor *Fabricación y Montajes Especializados Quezada.*
- SRK road and pit designs, and production scheduling

The auditor reviewed packages of construction quality assurance forms and certificates for the leaching tanks. As proof of a program for subgrade and concrete testing, MML provided concrete pour approval checklists. Signed letters from M3 to MML stated that all components were constructed according to the specifications and drawings, and that all items on the punch list from the final walkthrough were addressed to MML satisfaction. The files in the document control room were voluminous and thorough, and the quantity of information was more than could be reviewed in a reasonable amount of time.

MML QA/QC documentation for the process plant and its cyanide installations includes appropriate testing concerning the suitability of materials, welding, concrete, adequacy of earthworks and soil compaction, and installation of asphaltic liners. The program included the quality of metal fabrication at the tank vendor, subgrade and concrete testing including suitability of materials, fabrication, electrical, mechanical, instrumentation and piping, among others. There was large volume of QA/QC information for the process plant. After the review, the auditor verified that the program included the appropriate types of testing.

All construction QA/QC information is maintained in the mine's Document Control Building, Area 914, where it is kept properly filed and classified as a library for easy access. The auditor met with the person in charge of managing this library, the Processes, Operational Systems and Document Control Coordinator, confirming that in addition to these hard copies, all QA/QC documents are maintained in an electronic data base the ELG Project Documents Site, a share point on the company's website that is accessible for authorized personnel. The original signed and sealed documents are found in the Document Control Building, area 914. Physical files and drawings from all cyanide installations is kept organized by area and specialty. The information required was rapidly available for the auditor.

M3, a full-service design firm, was the general contractor with primary responsibility for implementation of the QA/QC program and commissioning of the process plant and the cyanide installations. M3 is a reputable company and used qualified subcontractors to provide construction and testing services. M3 provided documentation that the facility has been built as proposed and approved.

QA/QC records require signoffs from appropriate personnel including qualified engineers and/or operations personnel attesting to the viability of the design, construction and as-built materials. These sign-offs and reviews are documented and maintained as part of the QA/QC documentation. QA/QC was available for the cyanide facilities.

Standard of Practice 4.9

Implement monitoring programs to evaluate the effects of cyanide use on wildlife, and surface and groundwater quality.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 4.9

MML Environmental area has developed management plans, monitoring programs and series of procedures which provide the framework for monitoring activities. These programs, plans and procedures cover the monitoring activities for the evaluation of possible effects from cyanide use on wildlife, surface water and ground water. The auditor reviewed:

- Site Water Management Detailed Engineering Report (AMEC, 2014),
- TXG-MML-ELG-ENV-MN-001-RO Environmental Monitoring Manual,
- TXG-MML-SHE-ELG-PA-001 Contact Water Sampling,

- TXG-MML-ELG-ENV-PA-001 Procedure for Sampling Contact Water,
- PT-40-01 ALS Water and Wastewater Sampling,
- TXG-MML-ELG-MA-PA-001 Fauna Mortality Procedure, and
- Operations, Maintenance and Surveillance (OMS) Manual for Storage and Filtered Tailings Deposit (NewFields 2014).

The site-wide Site Water Management Detailed Engineering Report (AMEC,2014) includes all water monitoring activities for the site inclusive of cyanide facility monitoring such as the FTSF, surface water, ground water, and other environmental monitoring activities. The plan is maintained by the Environmental Area

There are procedures for surface water quality sampling and groundwater quality sampling, standard work instructions for monitoring activities for both groundwater and surface water, as well as a wildlife monitoring procedure.
Sampling protocols developed for the site have been developed, reviewed and implemented with input from qualified internal and external personnel. These protocols are based upon Torex corporate, regulatory, and other requirements with an aim to implementing international best practices. The protocols are supported by a variety of procedures maintained by the Environmental area to ensure that proper methods and chains of custody are allowed.

Golder Associates, an international recognized consultant company, performed the operation baseline studies for the Environmental Social Impact Assessment in September 2014. Based on these studies, NewFields professionals hydrogeologists and geotechnical scientists performed in 2021 the POMA (Water Management Operational Plan) and then the MIA (Environmental Impact Manifesto), where the legal monitoring commitments were established as an environmental monitoring program to the Mexican authority.

Currently, the POMA is maintained and executed by MML and is reported to the local authority General Direction of Environmental Impact and Environmental Risk (DIGIRA) and to SERMANAT (Ministry of Environment and Natural Resources).

The Environmental Area is in charge of monitoring surface and groundwater is in charge is responsible for water monitoring. Both ALS external laboratory and MML Environmental Area perform monitoring activities at the mine site. All final reviews and approvals of sampling plans and analytical protocols shall be done by qualified and authorized personnel with appropriate background and experience in sampling and analytical techniques.

The auditor interviewed MML environmental personnel responsible for monitoring activities, among others. Responsible for water monitoring is graduated in environmental sciences from the Autonomous University of Guerrero; the team is also made up of an environmental geologist, a chemical engineer with degree in Community Development. Also a marine biologist, with a master's degree in agricultural biological sciences and a senior professional leading the team who is a chemist, biologist and parasitologist. For sampling, the Arce external laboratory is also supporting MML, in addition to its internal laboratory. ALS external laboratory is in charge of compliance monitoring, they use their own sampling and testing protocols developed by qualified professionals. ALS Procedure for Water and Wastewater Sampling was developed

Sampling and handling procedures are addressed in the TXG-MML-ELG-ENV-MN-001-RO Environmental Monitoring Manual. This includes requirements for:

- sample locations
- frequency
- chain of custody documents
- CN species analysis,
- analytical procedures, and
- quality assurance and quality controls for all analyses.

CN species analysis marked on the chain of custody document dependent on the type of sample. Environmental monitoring team members including environmental sampling technicians are trained on these sampling & handling procedures.
The Environmental Monitoring Manual includes an environmental monitoring schedule, which includes activities for monitoring groundwater, surface water, process solution and wildlife. It includes type and location of sampling, frequency, cyanide species to be analyzed, and quality assurance and quality control requirements for cyanide analyses.

Procedures for surface and groundwater quality sampling describe how samples should be taken, field parameters to take, sample preservation, sample handling, shipping instructions, equipment calibration and quality control.

Documenting the field conditions during the time of sampling is done using field records. These forms are used to document possible situations and ambient conditions that may impact the analytical results for each sample. The data is stored in the database by the Environmental Area.

Field forms area used for ad-hoc sampling. MML monitoring reports record in writing the weather conditions, the presence of wildlife and cattle, anthropogenic influences, field parameters (i.e., conductivity, pH, temperature), groundwater levels, and other characteristics of the water (i.e., color and smell).

Monitoring and compliance points have been established in accordance with regulatory requirements and are sampled on a regular basis according to the plan. This work is completed by the environmental team with monitoring records logged in the site environmental monitoring database. The auditor reviewed examples of completed field forms confirming the required data was complete.

The monitoring frequencies at MML are based upon established schedules and levels of risk. Routine daily inspections occur throughout the plant to identify any possible upset conditions which may require immediate and/or emergency monitoring outside of normal monitoring periods. The auditor considers the operation conducts monitoring at frequencies adequate to characterize the medium being monitored and to identify changes in a timely manner.

Monitoring frequencies are outlined according to the table below.

Monitoring Type	Sampling		Essay		Frequency
	Internal	External	Internal	External	
Contact Water Ponds	x			x	Weekly
Superficial water quality	x			x	Monthly
Compliance superficial water quality (SERMANAT)		x		x	Quarterly
Ground water quality		x		x	Quarterly
Compliance ground water quality (SERMANAT)		x		x	Quarterly
Water level in monitoring wells	x				Monthly
Wildlife Mortalities	x				Daily

Principle 5 | DECOMMISSIONING

Protect communities and the environment from cyanide through development and implementation of decommissioning plans for cyanide facilities.

Standard of Practice 5.1

Plan and implement procedures for effective decommissioning of cyanide facilities to protect human health, wildlife, livestock, and the environment.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 5.1

Golder Associates Mexico Empleados S.A de C.V. (Golder), has prepared for Minera Media Luna S.A. de C.V. (MML) the report that integrates the comprehensive update of the Conceptual Closure Plan for the El Limón Guajes Unit (ELG) currently in operation and the MML project under development, jointly called the Media Luna Project (MML).

This Conceptual Closure Plan El Limón Guajes (Closure Plan) updates the closure plans developed in 2014 "Conceptual Closure and Reclamation Plan" (Golder, 2014) and in 2019 "Closure Plan and Final Rehabilitation" (Torex Gold Resources Inc., 2019) for all mining facilities, for the exploitation, disposal of waste and mineral stockpiles, storage of tailings, processing, water management and auxiliary facilities.

The Closure Plan is based on available technical, social, environmental and engineering information. The scope includes vision, closure objectives and criteria, description of current environmental and social conditions, identification and analysis of closure gaps, risk analysis, development of closure measures, success criteria, maintenance and monitoring plan, and costs.

The ELG and MML Projects have been designed from the outset with consideration for mine closure at the end of mine life. In addition, as areas of the mine become available for restoration during operations, simultaneous reclamation projects will be implemented.

The Closure Plan report, dated April 11, 2022, includes written procedures to decommission cyanide facilities at the cessation of operations. Included in the decommissioning activities for cyanide facilities are:

- Demolition of physical structures and infrastructure management
- Equipment dismantling and waste management
- Decontamination of equipment (tanks, pipelines, pumps, valves)
- planned drawdown and removal of residual cyanide reagents
- Water balance and quality control mechanisms
- Final deconstruction and disposal of cyanide facilities,
- reclamation of facilities including the FTSF
- Characterization and mitigation of contaminated soils

For the equipment decontamination and components associated with the handling of cyanide, the following measures shall be taken:

- Removal of sediment and sludge.
- Initial process water flushing of process components.
- Triple flush with fresh water, with samples of the rinse water collected after the third rinse for analysis.
- Disposal based on waste characterization. At this time it is assumed that the affected water will be treated at the water treatment plant on the site that will eventually be built.

Prior to decommissioning, it is assumed that a study will be completed to identify equipment requiring decontamination and that the remaining materials will be sorted and inventoried.

A conceptual decommissioning schedule has been developed with tentative timeframes and activities associated with decommissioning activities. These activities are developed and updated in coordination with the mining operation as changes to the facilities and/or mine plan occur. Changes and updates are made to the schedule to reflect any impacts including duration and sequencing.

In accordance with the project's production schedule, in the event that no mineralization is found additionally, the permanent closure phase will begin in 2034, the year in which extraction and the ore processing. It is assumed that the closing period will last 6 years, the post-closing period begins then, and it is assumed that it extends over a period of 30 years. However, some post-lockdown activities may cease before age 30 if the operation can justify that the closure of a specific facility is stable, self-sustainable and that complies with the Official Mexican Standards. More details regarding the plan implementation schedule for decommissioning activities is available in Annex C Asset Retirement Obligation (ARO) and Annex D Life of Mine (LOM) of the Closure Plan, along with the cost analysis. In compliance with Mexican regulations, a detailed closure plan will be developed prior to the period of closing.

MML prepare internal updates of its review its decommissioning procedures for cyanide facilities during the life of the operation in Annex D Life of Mine (LOM) of the Closure Plan and revise them as needed. No specific timeline has been established for the update of the conceptual closure plan. As stated in Section 11.9 - Closing and Post-Closing Cost Estimate Update, for purposes of Cyanide Code compliance, closure cost estimates is stablished to be updated at least every 5 years, or when significant changes are made to the cyanide-related decommissioning cost and activities plan. This requirement does not apply to maneuvers that have not been in operation for less than five years and that have not modified their decommissioning plans. Updates to the plan are made to account for changes in plant layout, disturbance areas, cost variables, and resource availability.

Standard of Practice 5.2

Establish a financial assurance mechanism capable of fully funding cyanide-related decommissioning activities.

The operation is

- ✓ in full compliance with
- ☐ in substantial compliance with Standard of Practice 5.2
- ☐ not in compliance with

MML prepares internal updates of the cost to fully fund third-party implementation of the cyanide-related decommissioning measures in its ARO on a quarterly basis as identified in its closure plan. No specific timeline has been established for the update of the conceptual closure plan. As stated in Section 11.9 - Closing and Post-Closing Cost Estimate Update, for purposes of Cyanide Code compliance, closure cost estimates is stablished to be updated at least every 5 years, or when significant changes are made to the cyanide-related decommissioning cost and activities plan.

Annex C – ARO of the Closure Plan outlines the cost for full implementation of the site-wide closure and reclamation plan for the current and planned facilities and activities, inclusive of cyanide facilities. Cost are from third party contractors published in CAMINEX (Mining Chamber of Mexico).

The operation reviews and updates the cost estimate on a quarterly basis, at least every five years and when revisions to the decommissioning plan are made that effect cyanide-related decommissioning activities.

The local government jurisdiction does not require financial guarantees to cover the estimated costs for cyanide-related decommissioning activities. As such, MML has established self-insurance or self-guarantee as a financial assurance mechanism to cover closure costs. MML has not established a mechanism other that self-insurance or self-guarantee to cover closure costs, including decommissioning of cyanide related activities.

MML has established self-insurance as a financial assurance mechanism for closure activities, which includes decommissioning of cyanide related facilities. The auditor reviewed the document "Agreed-Upon Procedures Report" report from KPMG verifying its conformance with the Morelos Mining Complex financial tests for a self-guaranteed mechanism to cover the estimated costs for cyanide-related decommissioning activities. KPMG is a global network of professional firms providing audit, tax and advisory services.,

KPMG´s report dated April 25, 2024, states they have performed the procedures described below, verifying its conformance with the corresponding amount in the Company's December 31, 2023, consolidated financial statements.

- compared the amount of net worth;
- the amount of intangibles;
- the components of tangible net worth;
- the amount of total liabilities;
- the amount of current assets;
- the amount of current liabilities;
- the amount of fixed assets;
- the amount of cash and cash equivalents;
- the amount of available credit of the Debt Facility
- Recalculated the amount of tangible net worth, calculated as net worth fewer intangible assets and compared the amount to the amount included section ii) in the Appendix 4 – Cyanide code financial tests – 2023 of the Company.

Principle 6 | WORKER SAFETY

Protect workers' health and safety from exposure to cyanide.

Standard of Practice 6.1

Identify potential cyanide exposure scenarios and take measures as necessary to eliminate, reduce and control them.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 6.1

MML has developed and implemented a number of work procedures (SOPs) for cyanide-related tasks, among others. These include procedures for unloading, mixing, plant operations, and equipment decontamination prior to maintenance. The operational procedures focused on the mine operations include those reviewed under Standard of Practice 4.1, which the auditor determined they describe cyanide-related safe work practices.

At MML each area is responsible for developing and implementing the area work procedures which must include safety measures and the required personal protective equipment (PPE) to use. In addition the operation has work procedures from the Safety, Health and Technical

Training (SHTT) Area for more general activities which apply across various areas of the plant and/or the mine operation, as entry into confined spaces, works at height, lockout tagout, hot work and incidents report and investigation, among others.

Process plant work procedures specific to various operating facilities and circuits are supported by specific training conducted by competent operators and/or designated personnel and complemented by training modules. The SOPs detail task specific requirements, minimum training requirements to conduct the task, and procedures to follow in case of a contingency.

This requirement was verified though review of documented procedures and discussion with SHTT personnel and the process plant operations areas.
MML SOPs and permits provide line-item listings of the required PPE to prevent and minimize worker exposure to cyanide. In addition to these procedures, signage and task safety training is used to provide awareness to personnel of the requisite minimum PPE requirements for an area. All MML work procedures require the use of PPE and address work inspections for cyanide related tasks.

During pre-start checks, operators are required to identify whether they have the required PPE to perform the task at hand and/or identify any upset conditions which may require additional precautionary measures. In situations where the task is non-routine, a Job Hazard Analysis (JHA) may be required to identify any risks associated with the work, obtain a Work Permit, and ensure that adequate PPE is provided to complete the work safely.

This requirement was verified though review of documented procedures, review of PPE delivery files to workers, pre-work check lists, work inspections and work safety analysis, among others.

Workers at the operation are given the opportunity to provide input to procedures via a variety of mechanisms. There is a lot of openness in safety aspects. Comments for improvement are directed to supervisors and/or management for consideration. In occasion of the audit a safety fair was held in the mine site with participant of eternal contractors and mine suppliers . There was a lot of interaction between workers and supervisors n safety issues.

MML obtains employee input regarding its health and safety procedures and considers this input in developing and evaluating its procedures. Methods include the pre-shift meetings (5-minute talks), training sessions, incident investigations, and JHA and work permit issuing. During the pre-start meetings there is direct communication between operators, supervisors, and first line area managers, where worker input is considered to improve existing procedures.

MML communication area has also implemented suggestion boxes in case any person in the operation wants to express an opinion or a concern. This is also a communication channel for workers to express concerns, observations and suggestions related to safety issues. These suggestion boxes are present on the communication boards in the busiest buildings of the operation. The auditor saw examples of these in various buildings. The suggestion boxes are administered by the Human Resources Area, safety issues are filtered to the SHTT Area.

Workers have monthly direct communications with the vice president of the company, in a meeting held with all areas in an open forum. Then have meetings between the vice president

and the managers and superintendents where they carry out the incidents of the month, analyze them and see the measures taken.

MML has by local regulations, a Joint Committee on Health and Safety at Work that meets monthly in which they review health and safety issues and then tour the facilities. It is made up in equal parts of representatives of the company and the workers. This committee constitutes a spokesperson for the workers, where they can express their concerns and needs in aspects of health and safety at work, among others. The auditor saw minutes of monthly meetings and the topics discussed, finding them without compliance.

New and revised work procedures go through a review procedure which may include feedback from area operators with significant experience in that area. Procedures related to cyanide management are reviewed and/or updated periodically with the participation of process operators. Comments are incorporated and then updated procedures are disseminated to the supervisors for review with the crew for final review and implementation.

In the case of incidents investigation, workers also have the opportunity to provide input on how to improve safety procedures. The auditors reviewed examples of incidents investigation reports. Although these incidents were not related to cyanide, it was evidenced that the system and mechanism to provide feedback in safety procedures are in place.

This requirement was verified though review of documented procedures, work inspections, JHA and work permits. Operators and maintenance personnel from the different process areas with were interviewed, and they stated that they maintain a constant dialogue with their supervisors and managers including work procedures, and that their opinions is listened, evaluated, and it is the case, used in the process of continuous improvement of procedures and operations.

Workers have public access to tablets devices where via Apps they can request to repair any equipment, also an App where anyone can report dangerous conditions in the operation.

Standard of Practice 6.2

Operate and monitor cyanide facilities to protect worker health and safety and periodically evaluate the effectiveness of health and safety measures.

The operation is	✓ in full compliance with	Standard of Practice 6.2
	☐ in substantial compliance with	
	☐ not in compliance with	

MML has determined that 10.5 is the optimal pH for limiting emissions of hydrogen cyanide (HCN) gas during cyanide solution preparation mixing as stated in SOP Cyanide Preparation In 25 Percent Boxes and SOP Isotank Unloading Procedure, and for production activities pH is determined to be 10.2 for the process metallurgy, as indicated in SOP Procedure for pH Control in Process Plant. To rise pH, caustic soda solution is used.

pH probes in the leach circuit are used to monitor the pH of the pulp at the cyclone overflow and in the leach tanks. pH controllers are used to adjust and maintain optimal pH level control carbon in leach (CIL) circuits. Mill control system alarms are activated in the control room when the pH drops below pH 10 so that the operator can be notified about the possible presence of elevated HCN gas levels whilst necessary corrective actions.

This requirement was verified through review of SOPs, plant daily operating logs, control room operating logs, and discussion with personnel from the process plant. Observation of a cyanide mixing event in boxes confirmed that the mix tank was filled with a mix of barren and caustic soda solution prior to initiating the process.

MML has established a number of high-risk areas where exposure to HCN gas may occur:

- Reagent storage warehouse
- Cyanide solution preparation / distribution areas
- Leaching tanks / CIP
- Elution
- Carbon regeneration
- Detox

MML requires use of appropriate personal protective equipment in these areas and when performing activities in these areas, in addition to the basic PPE. For example additional PPE required to prepare cyanide solution in boxes are:

- Tyvek type chemical suit,
- long neoprene gloves,
- rubber safety boots
- full face mask with filters for gases and dust,
- portable HCN gas monitor, and
- communications equipment

Work procedures have been developed for all activities in which cyanide management is involved. These procedures include a section where the PPE requirements are listed. Signage listing the PPE requirements to enter a cyanide facility has been installed at appropriate entrances.

This requirement was verified through a review of procedures, review of the record of delivery and replacement of PPE to workers, and task observation during the process on the mixing area, as well as through discussion with workers and personnel from the process planta

MML uses monitoring devices in process areas and for activities involving management of cyanide to confirm that workers are not exposed to hydrogen cyanide gas or cyanide dust. First alarm is set to 4.7 ppm and second alarm to 10 ppm. The alarm for 4.7 ppm activates a flashing strobe locally and an alarm shows in the control room on the mill control system alerting to possible high HCN gas in the area. At the activation of the alarm at 4.7 ppm, the workers must leave the area and when the levels are just below the alarm of 4.7 ppm, personal can return to the area if required. At 10 ppm, personnel must immediately leave the area until the area is safe to resume work and the alarm is reset.

Signage, procedures and training developed by the process plant help to ensure that workers understand the high-risk areas and the alarm responses requirements. Process plant personnel

are responsible for ensuring that adequate levels of signage and alarms are maintained throughout the plant to protect against HCN exposure.

The auditor confirmed the facility uses monitoring devices in process areas and for activities involving management of cyanide by observation during tasks inspections at the process plant.

Fixed and portable HCN gas detectors are maintained, tested and calibrated on a routine basis by the plant process maintenance personnel, as per manufacturer recommendations. Records of these tests and calibration activities are maintained in the SAP system. Calibration is conducted on a monthly basis in accordance with manufacturer's instructions. The maintenance program automatically generates a work request. Currently MML is using the SAP system to automatically generate the work request. Personal HCN gas monitors are issued to personnel working in cyanide-related activities.

Samples of HCN gas detectors records were reviewed during this audit in order to check the maintenance, finding consistency on calibrations and test historical records, as well as in sensor and battery replacements. These records will be retained at least for 3 years as hard copies, and a permanent record as digital copies.

Signage is displayed at the process plant entrance and inside it, throughout the cyanide installations to alert personnel that cyanide is present, access restrictions and the requisite PPE for the area. Warning signs are installed communicating that smoking, open flames and eating and drinking are not allowed in the area.

Verification was through visual inspection of the signs located in areas where cyanide solution is prepared and used. These areas included cyanide storage, sparging/mix, process plant areas and detox circuit, among others.

High strength cyanide solution is dyed in red color in a concentration that provides a clear visual indicator of the presence of high-strength cyanide solution. Red dye is sent with the cyanide briquettes inside the isotainers and IBC boxes directly by the cyanide supplier.

The auditor verified this requirement by observing the red color of high concentration cyanide solution at the addition points of leaching tanks in the process plant and complemented through discussion with personnel from the process plant.

MML process plant is equipped with a number of fixed and portable safety showers/eyewashes to provide emergency rinsing in the event of chemical exposure, installed at strategic locations throughout the operation in all areas where there is a potential for exposure to cyanide and other chemicals. Safety showers and eyewashes are checked as part of daily inspection checklists to ensure that they are operational and that water streams and flows are adequate. This process of testing the shower and eye-wash station prior to commencing work was observed during the audit. In addition to the daily checks, routine preventative maintenance on the showers is completed by the process maintenance personnel no less than quarterly.

To protect against fire, only dry chemical powder fire extinguishers are used in the plant, in order to prevent generation of HCN gas whilst extinguishing a fire. These extinguishers are checked as

part of the daily inspections by the area operators. In addition, the SHTT team is responsible for routine inspections and replacement of undercharged or faulty extinguishers.

Verification was through physical inspection during the plant visit, checking the proper operation of the emergency showers and eyewash stations, as well as the location, availability of access and validity of use of the dry chemical powder extinguishers distributed within the plant. The auditor also reviewed MML's inspection and testing records for showers, eye wash stations and fire extinguishers and records of annual fire extinguishers inspections and maintenance. Fire extinguishers are also inspected and tested on a monthly basis by an external contractor.

MML identifies with appropriate signs and labels all the unloading, storage, mixing and process tanks and piping containing cyanide solution to alert workers of their contents; the direction of cyanide flow in pipes is designated.
Labeling provide workers and others with notice that a dangerous material is present as necessary to protect their health and safety. Labeling is typically done at a spacing of no greater than 6 m to allow personnel to easily identify and track the lines to identity contents. Pipes containing cyanide (high or low concentration) are marked as containing cyanide solution or barren solution, and flow direction arrows tor cyanide bearing lines are used to allow personnel to understand the flow and possible exposures and/or response requirements for leaks and/or maintenance work. To support identification of pipelines, personnel participate in areas specific training to identify process solution tanks and pipelines in their respective work areas.

Cyanide mixing and storage tanks, as well as process tanks, are marked as containing cyanide. Signage of confined spaces are also placed on cyanide tanks.

This requirement was verified through site inspection and review of physical positioning of information, awareness and alert sings. The auditor followed the cyanide solution circuit from the cyanide mixing area, through the different process plant areas.

MML maintains the Hebei and Draslovka sodium cyanide Safety Data Sheets (SDS) in Spanish, the language of the workforce, available for all personnel in areas where cyanide is used and information on cyanide intoxication first aid in areas where cyanide is used and particularly where reagent-strength cyanide is managed. Hard copy documents and/or permanent stands are maintained locally at the cyanide mixing areas, warehouse, control room, as well as in areas at the hydrometallurgical process plant where cyanide is present.

This requirement was verified through site inspection and physical review of information available for the workers along the cyanide warehouse and the process plant and complemented through discussion with personnel the SHTT Area.

The operation has developed and implemented the Incident Investigation Procedure to investigate and evaluate any incident, including cyanide-related exposure incidents, to determine if the operation's programs and procedures to protect worker health and safety and to respond to cyanide exposures are adequate or need to be revised.

The purpose, as stablished in the procedure, is to identify the causes of incidents, take preventive and corrective actions through the four-step incident management system to avoid future events and/or minimize their consequences, establishing an effective investigation of all incidents at work and follow-up to achieve continuous improvement of safety performance in the workplace.

The procedure requires that as a hazardous event occurs, key people in the organization should be notified immediately to inform them of the event while the other post-event remediation actions are carried out. The report will be done through the APP Incident Notification.

The procedure indicates the steps to follow on reporting an incident, guides the user on the escalation according to the severity of the incident, and allows rapid and effective communication and contact with relevant stakeholders, according to the type and magnitude of the event. The auditor reviewed the incident report records, including minor cyanide-related incidents such as spills and drips within the containment area, confirming that the operation is implementing a general program for incident investigation.

Standard of Practice 6.3

Develop and implement emergency response plans and procedures to respond to worker exposure to cyanide.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 6.3

MML is prepared to respond to cyanide exposure emergencies with the necessary equipment for emergency response to a worker exposed to cyanide. The operation has oxygen kits, AMBU (Airway Mask Bag Unit), activated carbon, two-way radios channel 9, telephone, alarm system for communication and emergency notification readily available for use at cyanide unloading, storage and mixing locations in the plant. In addition, resuscitators as AEDs (Automatic Electric Defibrillators) and antidote kits: sodium nitrite and sodium thiosulfate are available in the medical center.

The locations of the emergency equipment were deemed to be appropriate for the operation. The antidotes are kept only in the medical center, under controlled temperature storage. The process plant is less than 150 meters away from the medical center. Operators are required to carry a radio while performing their tasks. Two full-equipped ambulances are located at the medical center (of a total of five ambulances), which can be used for intoxicated evacuation and life support if needed.

This requirement was verified during the site inspection, visit to the medical center, review of procedures from the medical center, interview with onsite doctor, interview with plant workers, and complemented through discussion with personnel from the SHTT Area.

MML regularly inspects the cyanide first aid equipment to make sure it is available when needed. The medical center carries out weekly inspections of medicines and first aid equipment. They review the storage temperature of the cyanide kits, the expiration date and storage conditions. They also carry out inspections to the seven emergency stations distributed through the process plant as in the cyanide mixing areas, the mill, ADR, and in the cyanide warehouse among other areas, where on each they maintain a bottles with oxygen 0.35 m3 loaded at 200 bar of pressure, an oxygen mask with reservoir, an AMBU, doses of activated carbon and water.

MML has developed the specific procedure to respond to cyanide exposure: General Cyanide Poisoning First Response Procedure. This document describes in detail what has to be done in the event of a cyanide exposure. It includes personnel responsibilities, definitions, special precautions, emergency communications, securing the area, victim decontamination, first aid procedure with oxygen and for cases of ingesta with activated carbon, and derivation to the medical center. The referenced procedure details the necessary response to cyanide exposure through ingestion, inhalation and absorption through the skin and eyes .This procedure is found also in the emergency response plan. This requirement was verified through site inspection and physical review of information available.

The operation has its own capacity to provide first aid and medical assistance to workers exposed to cyanide. In order to provide first aid and medical assistance to workers exposed to cyanide, MML has a complete medical center onsite. There are two doctors per shift and one paramedic per night shift, who are the only personnel authorized to administer the cyanide antidote. There is also one support paramedic during the day and another paramedic for the night shift. There are two ambulances ready in the central medical, of a total of 5 in the mine. This two fully equipped ambulances at the medical center, are ready to urgently evacuate the injured or intoxicated victim.

All staff of the plant is trained in a 2-hour course in first aids, a one-hour course in oxygen therapy, including training in the use of the defibrillator (AED).

In the event that a cyanide exposure, the victim once stabilized and if requires medical attention beyond the capabilities of the on-site medical center, one of the ambulances maintained at the mine site will transport the victim to the Royal Care Hospital or to the Reforma Hospital in Iguala. The Emergency Response Plan for Complex Morelos (ERP) describes this evacuation procedure and indicates communications will be through the insurance broker according to the contract with the hospitals. One fully equipped ambulance from the medical center will urgently evacuate the injured or intoxicated victim to Iguala hospitals, a one-hour drive.

MML has made formalized arrangements with local hospitals of Iguala Royal Care Hospital and Reforma Hospital. In the event of a cyanide exposure emergency and the need to transfer a patient to the hospital, the site will treat the patient on site and then go with the patient to the hospital once it is stabilized.
On April 22 and 23, 2024, Minera Media Luna gave talks in Iguala for both hospitals about the cyanide emergency response plan and the procedure for treatment for exposure and the transfer of victims to the hospitals. Medical staff at MML is confident that the medical facilities in Iguala have adequate qualified staff, equipment and expertise to respond to cyanide

exposure. The auditor reviewed the assistance records and reports of the talks with the hospitals.

Principle 7 | EMERGENCY RESPONSE

Protect communities and the environment through the development of emergency response strategies and capabilities.

Standard of Practice 7.1

Prepare detailed emergency response plans for potential cyanide releases.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 7.1

MML has developed the emergency response plan TX-MML-PRE Emergency Response Plan for Complex Morelos (ERP), dated May 2024 which addresses response procedures for various types of emergencies including those to address potential accidental releases of cyanide and cyanide exposure incidents. In addition to cyanide-related emergencies, the ERP addresses firefighting, search and rescue, leaks and spills of solid or liquid hazardous materials and natural disasters. This document outlines the various credible event scenarios for the operation and the responsibilities, actions, and notifications required to ensure an effective and efficient response. Also, address cyanide-related emergencies the following SOPs:

- TXG-MML-ELG-PB-800-PO 006 Procedure for Emergency in Area 800
- TXG-MML-ELG-PB-8DD-PO 007 General Cyanide Poisoning First Response Procedure
- TGR-MML-ELG-MAO-PGE-018 Procedure for Notification of Environmental Incidents
- TXG-MML-ELG-SHE-PO-002 Hazardous Materials Spill Procedure and Control

As set out in the Plan, the objective of the ERP is to describe the procedure to be followed in responding to all foreseeable emergency situations at its facilities, in a way that minimizes losses to people, the environment, property and operations. Minera Media Luna in the Morelos Complex has implemented a comprehensive system that combines the emergency response plan, emergency activities and on-site response teams.

The ERP provides response actions for all potential cyanide failure scenarios identified. The Plan do not consider a release of HCN gas on a catastrophic scale from storage and process as a credible scenario. Cyanide storage is in an isolated waterproofed warehouse subject to continuous inspections to verify its roofing, walls and pavement good conditions and the surrounding slopes area graded to keep surface runoff away from the warehouse. The emergency shower- low pressure eye wash station is across the access road and there are only powder extinguishers. Regarding the process plant, there are concurrent controls in the reagent area and process plant that would trigger shutoff valves in the system and would alert the

control room operators for action when HCN gas monitors, pH monitors, tank level sensors, pressure and temperature, among other sensors, detect operational values out of normal range.

The ERP considers in Section 8.2 the risks of collisions or turnover of transport vehicle originating as a consequence spills of hazardous materials. actions in the case of transportation accidents in then proximity to the mine site, connections and interrelation of transportation routes. Consideration has been given to transportation routes and response capabilities along the way. The operation has the transport emergency response plans from its cyanide suppliers Orion and Draslovka who will be responsible for responding to an emergency during transportation. However, the role of the mine will be of a supportive collaborator.

The ERP describes procedures to follow to control exposures and accidental releases during unloading and mixing both from IBC boxes and Isotainers; describes potential or possible scenarios for fire and explosion events with presence of cyanide. Procedures to follow in case of a pipe, valve or tank rupture incident related to cyanide are described in TXG-MML-ELG-PB-800-PO 006 Procedure for Emergency in Area 800.

Although the Ponds are not cyanide installations, procedures for overflow of Ponds is described in specifical details in the document Operations, Maintenance and Surveillance (OMS) Manual for Storage and Filtered Tailings Deposit (Newfields, 2014). Uncontrolled seepage is not a potential cyanide failure scenario appropriate for the site-specific environmental and operating circumstance.

Emergency procedure for power outages and pump failures are addressed in SOPs TXG-MML-ELG-PB-PO-22 Contingency Procedure for Lack of Electrical Power in the Main Substation, TXG-MML-ELG- PB-PO 230 Start-Up Procedure Emergency Generator 13.8 KV and TXG-MML-ELG Procedure to Energize Pools with Generation.

Failure of destruction in tailings is not considered an emergency scenario for the operation. Emergency response for the FTSF is addressed in the OMS Manual for Storage and Filtered Tailings Deposit. The operation does not have tailings impoundments or heap leach facilities.

MML sodium cyanide suppliers, Orion and Draslovka are responsible for delivering sodium cyanide product from the point of origin to the mine site. Both cyanide suppliers have developed emergency response plans for their respective transport route. Consideration has been given to transportation routes and response capabilities along the way. Both Orion and Draslovka are ICMI certified transporters and their respective ERP consider transportation routes, physical and chemical form of the cyanide, truck transport (isotanks and sea containers), the condition of the road and the design of the transport vehicle.

The ERP and procedures have been developed to provide a suitable level of detail to ensure that effective response can be completed in an emergency situation. The documents cover a range of credible event scenarios and the immediate and longer-term actions required to control the event.

These response procedures are supported by a number of other documents, which help to ensure that personnel can effectively:

- Clear site and/or area personnel from areas of exposure.
- Notify and/or evacuate potentially affected communities.
- Apply cyanide first aid and use of antidotes for cyanide exposures.
- Control releases by stopping pumps or closing valves at their source.
- Initiate emergency spill containment at critical points to prevent downstream impacts.

The ERP addresses these items directly or in more detail through SOPs, checklists and management plans. The documents that refer to emergency response management in MML consider the various aspects related to potential emergencies with a cyanide leak or spill (as solid, but mostly as solution) or HCN gas generation. The operation's emergency response procedures address measures for assessment, mitigation and prevention of future releases.

Standard of Practice 7.2

Involve site personnel and stakeholders in the planning process.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 7.2

The cyanide emergency response planning process developed by MML have been done using cross-functional teams from the mine areas. This helps to ensure that adequate consideration is given to the various impacted stakeholders and ensures that personnel understand and are aware of their roles in an emergency. Workers have participated in the planning of the response to cyanide emergencies. MML workforce is regularly approached by the operation through shift toolbox meeting, monthly safety meetings and tasks hands-on observation activities with the objective of getting their opinion and concerns about emergency response practices that can then be incorporated to the emergency response procedures, if necessary. It should be considered that the emergency response brigade is made up of workers on duty within their respective areas in operations and personnel dedicated full-time to emergency response- the Emergency Response Team (ERT), along with staff from the medical center. Through the document control center, every employee can access and review the ERP, including other corporate operations. Around 500 workers have been trained the emergency response procedures in the mine site.

Although in the ERP is not considered the participation of local communities in the emergency response procedures, the operation has also involved external stakeholders and groups of interests communicating the mine emergency response procedures to groups such as teachers from the preparatory schools from the nearest communities surrounding the mining operation as *Nuevo Balsas, Nuevo Fundición* and *Nuevo Limón*, among others. Also to Civil Protection, the Red Cross, and staff from the local technological university. The Community Relations team maintains contact with community figures and utilizes community liaison officers to share relevant information with potential affected peoples with regards to emergency response planning and address their comments and feedback.

This requirement was verified through training and meetings records and interviews with the emergency response coordinators and the Community Relations team.

Although potentially affected communities do not play a direct role in emergency response planning, MML has informed the communities near the transportation route about cyanide, its use at the mine, emergency response and equipment that will be part of the cyanide transportation convoy. Also informed them about the nature of the risks associated with accidental cyanide releases. Through the use of community information centers and Community Relations personnel, MML is able to ensure communication flow with relevant stakeholders prior to and/or in the event of an emergency situation

This requirement was verified through meetings records review and discussion with personnel from the mine Community Relations.

MML has identified the hospitals Royal Care Hospital and the Reforma Hospital in Iguala as the external entities having emergency response roles and has involved those entities in the cyanide response planning process for treating patients that have been exposed to cyanide. In April 2024, Minera Media Luna personnel visited both hospitals informing these entities about the mine cyanide emergency response planning process.

The operation also considers the participation of external entities to respond to an emergency that would need additional support. Currently the company participates in the mutual aid committee registered with the corresponding Federal agencies such as the Heroic Fire Department, Civil Protection and Red Cross of Iguala and Chilpancingo and the main mines in the southern part of the country, such as Mina El Porvenir, Mina la Guitarra, Mina Tizapa, Mina Los Filos and Mina El Farallon.

MML reviewed its ERP on an annual basis or when there is a significant change, shift, risk or expansion within the operation as outlined in the scope of this plan. During this revision involves responsible operators from all pertinent areas as the health safety area, the training area and the operational area. Verification was by reviewing the document control section of the ERP and interviewing the SHTT Superintendent.

After each emergency mock drill, the brigade members, the evaluating personnel and the personnel who participated in the drill, perform a meeting to evaluate the drill performance identifying improvement opportunities and establishing the necessary corrective actions.

The main stakeholders that MML considers for cyanide emergency response is its own work force. In this sense, the dialogue and consultation processes are regular and constant, taking their opinion not only in terms of occupational safety and health, but also in preparation for emergency response, especially with cyanide.

This requirement was verified through training records review, interview with workers and emergency response coordinators.

Standard of Practice 7.3

Designate appropriate personnel and commit necessary equipment and resources for emergency response.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 7.3

MML´s ERP and associated documents contain the following cyanide related elements:

a) Designate primary and alternate emergency response coordinators who have explicit authority to commit the resources necessary to implement the Plan. In accordance with the MML ERP Section 4.1., the mine General Manager designated as the Crisis Management Team (EMT) President and EMT General Coordinator are responsible with explicit authority to commit the necessary resources to implement the Plan.

b) The members of the emergency response team (ERT) are fully identified in the Plan where their name, position, company, telephone number and email are indicated. They are in the brigade directory section 31 of the emergency response plan.

   Due to the fact that there are personnel working the two shifts, the structure of the multifunctional emergency brigades that operate in the 1st and 2nd shifts is shown, depending on the shift, the corresponding positions of the organizational chart will be assigned. Taking into account that due to the number of MML personnel, it has a multifunctional brigade. The positions are variable, the only ones that do not change are Emergency Coordinator and Brigadier General Commander

c) The multifunctional Emergency Brigade is the volunteer group duly trained and equipped with an adequate number according to the needs of the unit, whose members must belong to the different areas of the mine, have the purpose of controlling and/or minimizing the damage caused by any emergency during the 24 hours of the day and must be trained to attend emergencies of the following types:
   - Medical Emergencies
   - Hazardous Materials Response
   - Fire Fighting
   - Rescue at heights (ropes)
   - Confined Space Search and Rescue
   - Natural Disasters
   - Rescue in vehicular accidents.

d) Section 2 of the ERP includes call-out procedures and 24-hour contact information for the coordinators and response team members. The Plan includes the necessary instructions to communicate in case of emergency as to report with the mine supervisor or to the mine control tower, the radio channel frequencies numbers, the information to provide, medicals cell phones, and the ERT telephone contact list.

e) The ERP details the responsibilities, regular activities and tasks in case of emergency, of coordinator and leaders of the EMT, members of the ERT, medical center staff, and management staff that can be involved in an emergency response process.

f) The Plan lists in detail the emergency material resources available for the ERT to respond to emergencies at the process plant and ancillary facilities related to cyanide. Section 6 of the Plan has various lists covering the necessary equipment and materials to respond each emergency scenario:
   - Response Resources for Hazardous Materials list
   - First Aids list
   - Firefighting list
   - Search and Rescue list
   - HAZMAT list

   Section 7 lists the available devices for accident prevention and mitigation in different areas: Crushing & Grinding, General Offices, Process Plant & S.A.R.T. Plant, Laboratory, Underground Mine, Truck Workshop, Mine. Section 20 lists de emergency response equipment for underground mining. Section 31 lists the necessary PPE to wear according to the work area in the process plant and SART plant.

g) The Plan includes requirements to inspect the emergency response equipment to ensure its availability. Among the functions of the Emergency Coordinator is to follow up on the inspection program for personal protective equipment and emergency response. The General Brigades Commander is in charge to periodically inspect the personal protective equipment and emergency response equipment. Inspections are performed on a monthly basis, or after its use on a real emergency, to ensure that they are maintained in working conditions.

h) The ERP describes the role of hospitals in Iguala and thot of the members of the mutual aid committee as the external responders participating in an emergency response; the call-out procedures to communicate with this external entities are clear in the Plan.

These requirements were verified through review of the ERP, interview with workers, medical center staff, and members of the ERT.

MML has confirmed that the medical facilities and the mutual aid committee, the external entities with roles and responsibilities identified in the Emergency Response Plan are aware of their involvement and are included in the emergency drills. The external entities having emergency response roles and responsibilities have not been included in emergency drills, but authorities from a local community were invited as observers to a cyanide emergency mock drill in December 2023 as stated in Standard of Practice 7.6. Minera Media Luna gave talks in Iguala for both hospitals about the cyanide emergency response plan and the procedure for treatment for exposure and the transfer of victims to the hospitals. The mine meets periodically with the mutual aid committee. The auditor reviewed the assistance records and reports of the talks with these external responders, their roles area clear in the ERP.

Standard of Practice 7.4

Develop procedures for internal and external emergency notification and reporting.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 7.4

The Crisis Management Activation Process Flowchart includes communications with the Corporate Response (in Toronto) and that in case the emergency cannot be controlled with the company´s own resources, the flow chart includes requesting support of the emergency teams of the companies of the G-5 Mutual Aid Group for support and escalates to the state's Civil Protection.

Torex Gold Resources (TXG) has put in place a standard structure for crisis management across all of its operations (see above). This structure is divided into two broad categories. These are:

- The Corporate Response (in Toronto), composed of
  - TXG gasket
  - Executive Director TXG (CEO)
  - Crisis Management Team (EMT)
- The Corporate Response (in Limón Guajes), composed of:
  - Emergency Management Team
  - Emergency Response Team (ERT)

The Mutual Aid Group - Currently the company participates in the mutual aid committee registered with the corresponding Federal agencies such as the Heroic Fire Department, Civil Protection and Red Cross of Iguala and Chilpancingo Guerrero and the main mines in the southern part of the country, such as Mina El Porvenir, Mina La Guitarra, Mina Tizapa, Mina Los Filos and Mina El Farallon. Local Response (RL), Regional Response (RR) and Corporate Response (CR) are based on the level of the emergency. At a level 1, the brigade responds and the RL is alerted. In Level 2, the RL actively participates, the RR is alerted and can be put on standby. In Level 3, the RR participates and the CR is alerted, which can become active depending on the escalation of the emergency

Any fire that is not extinguished within 30 minutes of discovery must be reported to the Fire Department or Civil Protection of the city of Chilpancingo (911). Section 31 of the ERP provides a complete directory (telephone contact list) of hospitals, municipal and state agencies.

The Plan includes procedures and contact information for notifying potentially affected communities of the cyanide related incident, and for communication with the media. Section 31 of the ERP includes a telephone contact list for communicating with specific persons of the nearby communities from Nuevo Balsas, Atzcala, Valerio Trujano, Real del Limón and La Fundición.

MML´s ERP includes a requirement and details to notify ICMI of any significant cyanide incidents, as defined in ICMI's *Definitions and Acronyms* document. Such incidents have not occurred during the certification period that is the subject of this audit.

Standard of Practice 7.5

Incorporate remediation measures and monitoring elements into response plans and account for the additional hazards of using cyanide treatment chemicals.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 7.5

The Plan and related documents provide detailed information on cyanide event remediation activities including control and containment of any spilled/released material such as:

a) Recovery and neutralization of solutions or solids is addressed in procedures TXG-MML-ELG-SHE-PO-002 Hazardous Materials Spill Procedure and Control; and TXG-MML-ELG-PB-800-PO 006 Procedure for Emergency in Area 800. In the case of solid cyanide, cyanide solution, process slurry or solution containing any level of cyanide, and cyanide-containing soils, the actions to be taken are pumping / transferring spilled solution or solid materials back into the process; absorbing spilled material with laterite or other absorbent material; scraping / excavating spillage area for addition back into the process and detoxification of the spill.
b) Decontamination of soils or other contaminated media I procedure TXG-MML-ELG-PB-800-PO 005 Sodium Cyanide Neutralization in Natural Soil. For decontamination of soil and other contaminated materials that may require detoxification (i.e., when it is not feasible to collect contaminated or impacted soils, such as asphalt or concrete), it will be used a sodium hypochlorite solution between 3-12%, only if the spillage and reagent material are prevented from entering a run-off ditch or watercourse. Sodium hypochlorite is stored in the emergency cabinets near the cyanide solution preparation areas. To facilitate a rapid spill remediation response, the operation procedures: TXG-MML-ELG-P8-800 PO 001 Cyanide Preparation In 25 Percent Boxes; TXG-MML-ELG-PB-800-PO 002 Isotank Unloading Procedure, and TXG-MML-ELG-PB-800-PO 005 Sodium Cyanide Neutralization in Natural Soil, identifies where the treatment chemical is stored. The response personnel are trained in these procedures and know the location of the treatment chemical.
c) Management and disposal of spill clean-up debris is detailed in the ERP. The recovered soil or absorbent material must be removed and disposed into the process, or if detoxified disposed into the FTSF. Other absorbent materials, as well as contaminated PPE, must then be picked up and placed in plastic bags or containers. All the disposable materials used or the debris generated or contaminated during the clean-up process of a cyanide spill that is not feasible to be dumped back into the SAG mill, will have to be collected, packaged and disposed as hazardous waste.
d) Regarding provision for alternative drinking water, MML does not consider that an emission from the operation could adversely affect a drinking water supply.

The ERP prohibits the use of chemicals such as sodium hypochlorite, ferrous sulfate and hydrogen peroxide to treat cyanide that has been released into surface water or that has the potential to reach surface water. This requirement was verified through review of the Plan and related documents.

The ERP and related document TXG-MML-ELG-PB-800-PO 005 Sodium Cyanide Neutralization in Natural Soil require monitoring of spilled process solution, contaminated soils, and sampling

of downstream water bodies. Process personnel obtain initial slurry and/or solution samples while environmental monitoring personnel have responsibility for additional downstream and surface water sampling. As part of the notification process in the emergency response protocol, the laboratory personnel are notified of the cyanide spill event and to prepare for emergency sample analysis for cyanide content to ensure quick turnaround times.

The TXG-MML-ELG-ENV-MN-001-RO Environmental Monitoring Manual requires that water and soil is sampled and monitored after a cyanide spill in order to assess the magnitude of the impact and implement the correct mitigation measures, as necessary. The document describes the procedure for sampling including methodologies and parameters, including cyanide concentration and pH. The document includes sampling maps for the plant area and water bodies. The document describes procedures for soil sampling including methodologies, parameters and the final cyanide concentration that will be allowed in residual soils as evidence that the spill has been completely cleaned up.

Standard of Practice 7.6

Periodically evaluate response procedures and capabilities and revise them as needed.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 7.6

As stated in the Plan, Section 30, MML reviews and evaluate the cyanide related elements of its ERP on an annually basis and:

- In case of any new regulatory guidelines by federal, state and municipal government authorities.
- According to the performance observed in the response to contingencies in real events and drills.
- According to new technological currents implemented in some process.

The auditor reviewed the Plan´s version five dated from May 2024. Previous versions were from 2021, 2022, and two versions from 2023.

MML conducts annually cyanide-related emergency mock drills to test the emergency preparedness and response of the operation. Mock drills are developed to include a variety of locations and scenarios including cyanide environmental release and cyanide exposure responses.

In March 2024 MML conducted an emergency mock drill exercise at the cyanide warehouse simulating a spill of solid sodium cyanide from an IBC box with participation of 14 brigadists from of the ERT members plus two observers. After the drill, they met where they evaluated the results finding opportunities for improvement, established corrective actions, responsible and a date for the closure of the proposed actions, which the auditor found fulfilled.

In July 2023, a mock drill exercise was conducted at the SART plant simulating a spill pf cyanide solution with a worker exposure to cyanide solution. It counted with the participation of 19

workers including member of the ERT. There was also a meeting with a report with findings and improvement opportunities.

In December 2023, the operation y simulated a cyanide spill from an isocontainer with cyanide intoxication in the road near the mine operation and in the surrounding of a local community. Participated 12 members of the ERT and the community authorities were invited as observers. The auditor reviewed the drill report with findings and improvement opportunities.

The drills involved do not involved external personnel as they are not expected to respond to cyanide incidents.

The ERP require to evaluate and revise the Emergency Response Plan, as necessary, following mock drills and following an actual cyanide-related emergency requiring its implementation.

No update of the ERP or related documents was performed due to cyanide incidents, as no such emergencies requiring its activation have occurred.

This requirement was verified through ERP and related documents review, mock drills reports and records, and discussion with personnel from SHTT.

Principle 8 | TRAINING

Train workers and emergency response personnel to manage cyanide in a safe and environmentally protective manner.

Standard of Practice 8.1

Train workers to understand the hazards associated with cyanide use.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 8.1

MML trains all personnel and contractors who may come into contact with cyanide in its hazard recognition. Module one from three modules that conforms the training program , deals with the generalities of cyanide, as described in the SOP TXG-MML-ELG-CAP004 Training Procedure in Sodium Cyanide Risk and Emergency Management and Response. Each module of the training program is equivalent to several courses except module one. To be able to work in MML mining operation, the worker must first take module one, which grants an induction training certificate if have approved the on-site exam which includes knowledge of cyanide. The credential for entry into the mining operation is conditional on passing the exam. They carry out training control at Learning Management System (LMS) Torres Academy, which is a training management system, and make and follow up using an Excel worksheet. The operation's cyanide awareness training adequately addresses cyanide hazards, such as the cyanide materials present at the operation, the health effects of cyanide, the symptoms of cyanide exposure, and the procedures to follow in the event of exposure.

Training in Module 1 should be provided each time a new employee enters a cyanide-related area, as part of the overall health and safety induction. The training of Module 1 Cyanide is given in online mode aimed at new entrants to MML and contractors and in face-to-face mode that personnel who will work in areas of MML processes and contractors. The trainer should have knowledge in the safe handling of cyanide and experience in effective communication techniques, proof of training by an ICMC-certified cyanide manufacturer (e.g., Chemours, Cyanco, Cyplus-Idesa) and proof of having passed a course in communication techniques.

This requirement was verified through review of training records, training materials and interview with the Training Superintendent.

Refresher training in Module 1 should be given to all employees every twelve months. Training matrices have been developed which identify mandated courses and frequencies for refresher. In addition to formal refresher training, toolbox talks and Health & Safety meetings are held to discuss critical safety and environmental aspects including cyanide and cyanide related incidents, actions, and events.

This requirement was verified through review of training records, training materials and interview with the Training Superintendent.

All trainings are recorded in Excel sheets and in the LMS system and are kept in the worker's personnel file. Training records must be available for review for at least 2 years.

The auditor reviewed training records from the plant operators. The records effectively identify the trainee, the trainer, topics covered, date and sign off sheet, and test scores in the trainings that included a final written evaluation.

Standard of Practice 8.2

Train appropriate personnel to operate the facility according to systems and procedures that protect human health, the community and the environment.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 8.2

All personnel that work in the plant must undergo training prior to being allowed to work at the process plant. Pre-requisite training include:

- Site induction
- Plant induction
- Plant general/specific orientation and safety awareness (classroom & field sessions)

The main objective of these trainings is to ensure that all operators understand and are able to operate the various areas of the plant in a safe and environmentally responsible manner.

After successful completion of these training sessions, operators are assigned to a specific circuit for On-the-Job Training, and work under the direction of a competent operator until they have been deemed competent to work without direct supervision. Formal training in working

procedures is given in cyanide-related tasks, among others, in order to show in the field how to safely conduct tasks related to cyanide management, including cyanide unloading and storage, preparation, production and maintenance. Also, they are Planned Task Observations performed, which are conducted by the supervisor of the trainee.

Determination of competency is based on test score and observations by qualified and/or experienced plant operators and/or maintenance personnel.

This requirement was verified through review of training records, training materials, interviews to Plant operators and Process Safety Training group staff, and discussion with personnel from Environmental and Plant Operations areas.

The training elements necessary for each job involving cyanide management area identified in the training materials. Module 2 deals with the training in the work procedures. After reviewing the work procedure together, the trainer observes how the operator performs the tasks in the cyanide circuit according to the established procedure and verifies that the steps in the approved procedures are followed and recommends retraining or not, if applicable.

Personnel to be trained in a Module 2 are those who work in the cyanide warehouse; in the area of preparation of cyanide solution both in boxes and in ISO containers; in the mill in the process plant; ADR plant; SART plant; detox; filter plant; and in the dry FSTF as well as in the maintenance area for fixed and portable HCN monitors, pH sensors, and high level alarms in the cyanide mixing tanks.

Training on tasks involving cyanide is intended to instruct new employees on how to perform their assigned tasks safely and it is implicit in this that the required procedures are designed so that the tasks are accomplished in a manner that avoids exposures and releases The key elements of this training are that the training addresses the critical elements of achieving safe performance and that the personnel delivering the training are appropriately qualified. Also, that the contractors personnel are trained before working with cyanide before working without supervision and that the operation evaluate the effectiveness of the training .

This requirement was verified through review of training records, training materials and interviews with Plant operators Safety Training staff.

MML provides training with qualified supervisory and management personnel with adequate knowledge, experience and qualifications to train personnel on the necessary techniques and requirements for safe and environmentally sound process plant operations, as well as pedagogical techniques to improve their performance as trainers.

Task training related to cyanide management activities must be provided by an appropriately qualified person. The trainer must meet the following requirements: have knowledge of the specific task to train and have experience in effective communication techniques. This could include dedicated training with knowledge of the necessary tasks or be an experienced supervisory or line personnel in training. As evidence of these competencies, it is required poof of having worked in the position for at least one year and proof of having received a course in communication techniques.

This requirement was verified through review of the trainers Curriculum Vitae where experience was demonstrated and certificates of course in communication techniques.

Employees are required to be trained prior to working with cyanide. Training Module 2 is given to all mine personnel and contractors who have a specific task in the cyanide circuit before starting to work. The training record must be attached to the specific procedure in the worker file. The proof of understanding is task observation, which has the purpose of verifying compliance with the provisions established in the work procedure. This is carried out by the supervisors or trainers during the execution of a task.

The mine has a process for the certification of operators through Module 2 when an operator is hired. Supervisors require this certificate before workers are allowed to work. This is also required by the mine Workers Union. New trainees are assigned to work in one of the circuits under the supervision of a competent operator. These trainees are required to work under direction of these competent operators until they demonstrate ability to work without direct supervision in a safe and responsible manner, considering not only the general industrial and operational hazards and risks related to their function, but in specific the potential risks related to cyanide presence in the work environment.

This requirement was verified through review of training records, interviews to the process plant operators and supervisors.

Refresher training in specific work procedures is given annually. The training method for module 2 is in person. Feedback is considered necessary when the operator does not comply with the established work procedure or the procedure is modified or has not received adequate training. The training material is the current cyanide circuit procedures approved by the manager of the process plant. The training is given in the same process plant.

Once the training is completed, an observation activity of task performance is carried out to evaluate the effectiveness of the training and verify that the procedure is followed. This requirement was verified through review of training matrix and records, which were found to be consistent and complete.

Training records are in the folder of the specific person with the work procedure. Training records are retained not only as group records, but as individual employee files. Records to be kept include:

- Trainee name.
- Trainer name.
- Training type/course.
- Date of completion.
- Test Scores (Pass/Fail).

Employee training records are entered into the training database for each employee and maintained for the duration of employment. Samples of records were available and reviewed and were found to be consistent and complete.

Standard of Practice 8.3

Train appropriate workers and personnel to respond to worker exposures and environmental releases of cyanide.

The operation is
- ✓ in full compliance with
- ☐ in substantial compliance with
- ☐ not in compliance with

Standard of Practice 8.3

Every employee and contractor at MML receive cyanide awareness and basic emergency response training, aside from their roles and responsibilities on the operation. Module 3 of the training program refers to emergency response. The purpose is to train personnel to respond to any cyanide exposure and spill that may affect people or the environment, including decontamination procedures and first aid. The target group to be trained is the personnel of the cyanide warehouse, preparation cyanide solution, process plant, detox an SART plant, and maintenance among other personnel involved in cyanide management as well as the emergency response team (ERT).

A number of personnel from each area are nominated to attend as first responders and/or first aid training to provide initial emergency response before the ERT arrives.

The cyanide emergency procedures address several cyanide exposure scenarios such as spills and cyanide exposure (through inhalation, absorption by skin or eyes contact, and ingestion). In addition, the procedure describes evacuation and cleanup measures.

Verification included review of training record and interviews with operators as well as process and SHTT personnel. Plant operators were interviewed and demonstrated good awareness of what actions are to be taken in the event of cyanide release. Records of training attendance were reviewed by the auditor and found them consistent and complete.

Members of the Emergency Response Team and the emergency response coordinators area trained in the emergency procedures of the ERP, including the use of necessary response equipment. First responders, the ERT and de coordinators receive training in cyanide first aid, decontamination and clean-up procedures. To supplement the training program, personnel are routinely involved in drills to test their retention of emergency response.

The ERT is comprised by voluntary members, divided in two shifts. They are led by Emergency Coordinator and the Brigades General Commander, who are qualified as professional emergency responders.

Members of the ERT are required to have completed a more advance emergency response training. For example the 2023 Annual Training Calendar for Surface Brigade Personnel included:

- First Aid for sodium cyanide poisoning, cyanide solution and HCN gas

- Emergency care with sodium cyanide
- Handling of flammable materials, explosives and emergency response
- Attention to emergencies with hazardous materials
- Emergency care with caustic soda and hydrochloric acid
- Emergency care with liquefied petroleum gas

Within the training topics that the members of the emergency response brigade receive, the elements relevant to emergencies with sodium cyanide are considered. In particular, they are considered topics regarding toxicology, first aid, and attention to leaks and spills of solid and liquid sodium cyanide. In the latter case, the training considers the use of PPE for advanced chemical and respiratory protection, the use of chemical absorbent elements, and protocols for handling, recovery and/or encapsulation of cyanide solutions and cyanide-contaminated materials, as well as neutralization and decontamination processes.

In the case of first aid, brigade members have been trained in the use of medical oxygen, use of safety showers and decontamination of people, and immobilization and transfer of the wounded.

In November 2023, 12 brigade members from the mine attended the 3-day training course in Celaya provided by Orion, the cyanide supplier who has the emergency brigade training school. The training provided was focused on various areas such as fire prevention and combat, emergency management and attention with hazardous materials, pre-hospital care and work and rescue in confirmed places and heights, all of them divided into levels ranging from basic to advanced, in addition to related topics. with civil protection.

As part of the theory, the topics that were covered were sodium cyanide toxicity, emergency response with cyanide, use and application of the sodium cyanide safety data sheet. In the practical part of the course they practiced with the Type A encapsulated suit with participating in three groups simulating emergencies scenarios due to cyanide briquettes spill, , leaks from sodium cyanide process pipes and a spill from a tank with sodium cyanide solution.
Th auditor reviewed the training report, training records, materials and interviewed the members of the ERT, verifying compliance.

The operation has made medical services external responders familiar with those elements of the Emergency Response Plan related to cyanide. On April 22 and 23, 2024, Minera Media Luna shared they ERP by mean of talks with Iguala hospitals about the cyanide emergency response plan and the procedure for treatment for exposure and the transfer of victims to the hospitals.

Other external responders as The Mutual Aid Group (made up of 5 mines operations including MML), including the Federal agencies such as the Fire Department, Civil Protection and Red Cross of Iguala and Chilpancingo Guerrero, held periodic meeting to discuss mutual aid in case of emergencies, sharing their respective ERP. This requirement was verified through review of meeting minutes and interview with health and safety staff.

The ERT members and medical center staff undergo annual refresher training exercises to ensure they are able and ready to respond to various scenarios across the plant.

MML employees and contractors have refresher training, which includes the topics referred to cyanide and HCN awareness, hazards and risks, and work safety involving usage of cyanide or presence of HCN. This requirement also includes refresher training for the emergency response brigade members, related to the level of involvement they will have in case of an emergency. This refresher training is conducted annually or less, depending on the rotation of the personnel that make up the emergency response brigade (exit of personnel, entry of new personnel, and/or new members within the brigade).

Refresher training for cyanide events is conducted as part of the site training and mock drill programs. Training requirements from the training matrix are routinely monitored and refresher training is scheduled as required.

This requirement was verified through review of the annual training program, training records, training materials and interviews with the SHTT staff.

Records of emergency response training are documented in a training database. These include the cyanide emergency response training, including the names of the employee and the trainer, the date of training, the topics covered, and how the employee demonstrated an understanding of the training material . Training records are administered by the SHTT Area with input from the functional areas.

Samples of records were reviewed and found to be consistent and complete. Records of emergency response cyanide training and hazardous materials emergency response training are retained not only as group records, but as individual records throughout each brigade member history.

Principle 9 | DIALOGUE AND DISCLOSURE

Engage in public consultation and disclosure.

Standard of Practice 9.1

Promote dialogue with stakeholders regarding cyanide management and responsibly address identified concerns.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 9.1

By interview with the Community Relations and Public Affairs Manager as well as with the Economic Development Superintendent, reported MML has an office in Nuevo Balsas, the largest community in terms of population. There are also another office in Fundición with a Superintendent and another office in the community of Azcala, where thy have monthly meetings and also with the other surrounding communities. In these meetings the residents are

informed of the current mine and communitarian works with MML and what the mine will do in the near future.

Currently, there are 1,100 workers in MML, of which 600 come from these communities. The mine interacts with the government institutions, with the municipal presidents of Cocula and Eduardo Neri communities. Also interacts with the Secretary of Civil Protection, with the firefighters and the ambulance 911 to coordinate actions in of an emergency due to natural disasters.

In 2023 the mine had the environmental fair lasting one day in each town. They also do guided tours to the mine, the target audience are students from the Technological Institute of Mexico oat Chilpancingo. In January 2023 teachers of this institution visited the mine. in May 2023, the teachers of the primary and secondary schools visited together with the students, the mine site. In August 2023, the transport drivers visited the mine.

The mine Community Relations and Public Affairs staff have WhatsApp groups for each community through which they arrange meetings. There are municipal commissioners for each community. The telephone number appears on the communicators in the community canteens. The mine promotes canteens and health certificates in each community.

Standard of Practice 9.2

Make appropriate operational and environmental information regarding cyanide available to stakeholders.

The operation is	✓ in full compliance with ☐ in substantial compliance with ☐ not in compliance with	Standard of Practice 9.2

MML has a brochure explaining the management of cyanide in the mine site and during the monthly visits it is distributed along with a talk about cyanide, where they describe the metallurgical process, its transportation, its storage, the areas where it is used in the mine, what cyanide is and the protective equipment for of personal protection that must use. The referenced written descriptions of the operation's cyanide management activities are written in Spanish, the local language. The auditor reviewed register records of these talks from 2022 to 2023. Since 2024 awareness talks on the International Cyanide Code are being given.

By mean of the WhatsApp groups for each community all presentations and information is shared with the communities, as well as on Facebook and Linkedin.

Torex Gold utilizes its website https://torexgold.com/assets/operations-elg-complex/ to share written descriptions of how their activities are conducted and how cyanide is managed. These descriptions are available to communities and other stakeholders. The access is available on the internet. It also includes information about cyanide management practices.

It is estimated that the percentage of illiteracy is low in the area. The mine promotes the "Online Prepa" program from the Ministry of Public Education so that everyone can educate themselves. This program is through the computer and through online classes. The mine hires tutors to help people understand the program acting as advisors and take them to the classrooms equipped with computers.

However, in cases of illiteracy, there are plenty of opportunities for face-to-face interaction during the monthly visits to each community or residents can also go to the offices located in the communities to obtain verbal information.

As stated in SOP TGR-MML-ELG-MAO-PGE-018 Procedure for Notification of Environmental Incidents MML is required to report any cyanide exposure and release incidents to the relevant national and local authorities, as PROFEPA (Federal Attorney for Environmental Protection), SEMARNAT (Secretariat of Environment and Natural Resources) and CONAGUA (National Water Commission) within the period of 24 hours. The information reported to these regulatory agencies is made available to the public by those agencies in their websites.

All environmental incidents will be reported immediately by telephone to the environment department even if they have not been assigned a category of immediate severity, once the notification has been made, the incident may be reviewed and if necessary, the notification will be escalated to other levels of responsibility within MML, when the applicable legislation and regulations so establish, the external authorities in charge of environmental regulation and the International Cyanide Management Institute will also be notified, in the same way the neighboring communities will be notified when it has been assessed that they could be affected by the occurrence of an incident.

The operation will make information publicly available on the following confirmed cyanide release or exposure incidents:

a) Cyanide exposure resulting in hospitalization or fatality
b) Cyanide releases off the mine site requiring response or remediation
c) Cyanide releases on or off the mine site resulting in significant adverse effects to health or the environment
d) Cyanide releases on or off the mine site requiring reporting under applicable regulations
e) Releases that cause applicable limits for cyanide to be exceeded

No cyanide exposures or releases requiring public information have occurred at MML during the mine operation period.